Austria ... Sch. 15	Indonesia .. Rp 2500	Portugal ... Esc 85
Bahrain .. Din 0.650	Italy .... L 1100	S. Arabia .. Rls 6.00
Belgium ... BFr.35	Japan Y550	Singapore .. S$ 4.10
Canada .... C$2.50	Jordan .... Fils 500	Spain ...... Pts 95
Cyprus ... Mils 600	Kuwait .... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.00	Lebanon ... £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg .. LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $85
France .. FFr. 5.50	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 160
Greece .... Dr 60	Netherlands . Fl 2.25	U.A.E. ... Dh 6.50
Hong Kong HK$ 12	Norway .. Nkr. 8.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,108 Thursday September 1 1983 D 8523 B

French economy emerges from the woods, Page 13

NEWS SUMMARY

GENERAL

Harare officers held after acquittal

Six Zimbabwe Air Force officers were detained indefinitely under emergency powers, minutes after being cleared in Harare's High Court of sabotage at an air force base.

The black judge acquitted them on the grounds that their "confessions" had been obtained through torture, beatings and illegal inducements.

Considerable pressure had been exerted on the Government, particularly by Britain and the U.S., to let the men go free if acquitted. Page 14

Solidarity protest

Polish riot police fired tear gas and water cannon to disperse demonstrators in Krakow on the third anniversary of the banned Solidarity union. Police were also out in force in Gdansk. Page 3

Firm on Falklands

Britain told UN Secretary General Javier Perez de Cuellar it was still opposed to talks on the sovereignty of the Falkland Islands while Argentina had not formally ended hostilities. Page 6

Students protest

Pakistan closed a university in Sind province after several thousand students protesting at martial law blocked a highway. Page 4

Hijackers give up

Five gunmen holding hostages on an airliner they hijacked four days earlier surrendered in Tehran and asked for political asylum. All 17 hostages were freed.

Million mourners

Over 1m people turned out in Manila as the body of assassinated opposition leader Benigno Aquino was carried to the cemetery. Page 4

Cost of flooding

The damage caused by floods in Spain's Basque Country was estimated at over Pta 500bn ($3.3bn). Thirty-six people died.

Oil blaze fight

Thousands of gallons of foam were used to fight an oil refinery fire at Milford Haven, Wales. Amoco, the owner, said this was having an effect, as the blaze entered its second day.

London bombings

Two of the three bombs which went off in central London seemed to be aimed at the home and office of De Beers director Sir Philip Oppenheimer. The third damaged an Israeli bank.

Profitable games

Australia's Commonwealth Games Foundation, set up to organise last year's Brisbane games, wound up with a profit of A$1.1m (U.S.$945,000).

Challenger success

The U.S. space shuttle Challenger successfully launched its main cargo, an Indian weather and communications satellite.

Briefly ...

Chinese Foreign minister Wu Xueqian will visit the U.S. next month.

Sri Lanka is to introduce compulsory military service.

Ghana soldier was executed for killing three judges.

Indian pilgrims' bus hit a truck in the Himalayas: 25 died.

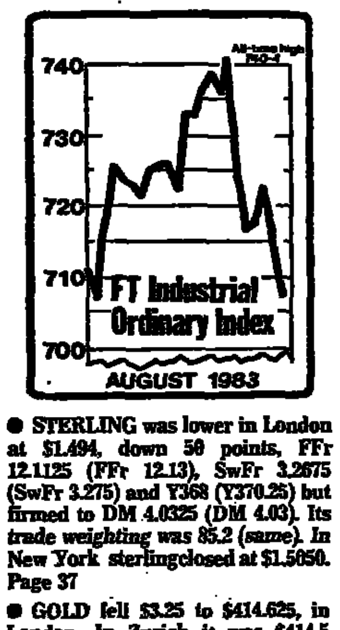
Two East German teenagers rowed the Baltic in a dinghy to escape to the West.

BUSINESS

$97m loss after fall in sales at Yamaha

● YAMAHA MOTOR, the world's second biggest motor-cycle maker, suffered a consolidated pre-tax loss of Y24.01bn ($97.3m) in the year to April 30. The loss, compared with a Y7.19bn previous group profit, reflects sharply declining sales in Japan and abroad and special costs of the U.S. subsidiary's reorganisation. Page 14

● DOLLAR improved in London to DM 2.697 (DM 2.689), FFr 8.11 (FFr 8.0925) and SwFr 2.186 (SwFr 2.185) but eased to Y246.25 (Y246.3). Its Bank of England index was 129.5, up 0.2. In New York the dollar closed at DM 2.686; FFr 8.08; SwFr 2.1775 and Y245.80. Page 37



● STERLING was lower in London at $1.494, down 50 points, FFr 12.1125 (FFr 12.13), SwFr 3.2675 (SwFr 3.275) and Y368 (Y370.25) but firmed to DM 4.0325 (DM 4.03). Its trade weighting was 85.2 (same). In New York sterlingclosed at $1.5050. Page 37

● GOLD fell $3.25 to $414.625, in London. In Zurich it was $414.5 ($416.5). In New York the Comex September settlement was $414.4. Page 36

● WALL STREET: Dow Jones index closed 20.12 higher at 1216.16. Page 27; Full share listings, Pages 28–30

● LONDON: FT Industrial Ordinary index shed 8.9 at 707.4. Page 31; FT share information service, Pages 32–33

● TOKYO: Nikkei Dow index added 29.51 at 9,189.43. Stock Exchange index rose 0.56 to 678.53. Page 27; leading prices, other exchanges, Page 30.

● STEEL IMPORTS to the U.S. from the Third World rose sharply last month as demand rose for products going into consumer durable industries. Page 6

● FRANCE'S Government is to support the flagging public works industry with a FFr 4bn ($493m) boost to the special construction-sector fund it set up last year. Page 3

● CHRYSLER'S Treasury-held stock warrants are to be put up for competitive bidding. All receipts from the sale will go to the U.S. Government.

● LUFTHANSA, West German airline, expects a further profit this year. Gross operating revenue was up 3.3 per cent at DM 3.5bn ($1.3bn) and passenger traffic up 2.3 per cent. Page 15

● SUNLIGHT Service Group of the UK made a £17.3m ($25.8m) equity offer for Spring Grove, topping by over £2m an agreed bid launched last week by Pritchard Services. All are laundry concerns. Lex, Page 14

● RAW PAR Brothers International, Singapore pharmaceuticals to property group, reported pre-tax profits more than doubled for the first half to S$2.47m (U.S.$1.16m) and announced a one-for-five bonus share issue.

● BABCOCK International, UK engineer and contractor, raised taxable profits in the first six months by £5.77m to £14.04m ($21m). Page 24; Lex, Page 14

Lebanese army continues offensive against militias in Beirut

BY NORA BOUSTANY IN BEIRUT

THE LEBANESE Army pursued its massive counterattack against Moslem militia positions in Beirut yesterday as President Amin Gemayel called on 11 Moslem and Christian politicians and party leaders – including his main Syrian-backed opponents – to participate in an immediate national reconciliation conference.

Beirut resounded to the sound of artillery, mortars and small arms fire for the fourth consecutive day as a Lebanese Army force, estimated at 10,000 strong and backed by tanks and heavy artillery, flexed its muscles virtually for the first time since the civil war of 1975–76.

Its objective was to dislodge the loose coalition of Shi'ite, Sunni Moslem and Druze militias out of the positions they had won along the "Greenline" area dividing predominantly Christian East Beirut from the Moslem West in three previous days of fighting.

The Lebanese Government authorities had earlier yesterday declared a complete curfew following a night of heavy artillery and mortar exchanges. The town was once again littered with rubble and shards of glass as the Moslems and largely Christian Army fought street by street, and the Syrian and Druze artillery embedded in the mountains surrounding Beirut continued to pound Christian East Beirut as well as positions around Beirut International Airport to the South of the city.

A hotel which houses most of the international press came under fire, and the 250 or so journalists, many of them British, were forced to flee to the basement, which used to be a night club, as mortar and artillery rounds crashed in windows, and shook doors from their hinges. None of the journalists was reported hurt last night.

The Lebanese Army appeared to be succeeding in its task of pushing the militias back into their West Beirut enclaves and also out of the city. Last night, the army had secured the key Murr Tower area on the Greenline.

The four day battles have been achieved at a great cost in lives, with the death toll officially put at 54.

The Lebanese Army has been a weak force in Lebanese politics in the past decade, overshadowed by the Phalangist Lebanese Forces built up by the late Mr Bashir Gemayel. Mr Gemayel was elected President last September only to be assassinated 23 days later. His brother, Mr Amin Gemayel, who does not exert the same tight control over the Lebanese forces, was elected President after his death.

There is now speculation that, should the push against the militias prove successful in Beirut, the Lebanese Army will be deployed in the Chouf mountains outside Beirut when the Israeli forces withdraw, probably on September 8, to their defensive line along the Awali River.

In his appeal to Lebanon's politicians, President Gemayel invited top Shi'ite militia leader Mr Nabih Berri, and Druze leader Mr Walid Jumblatt to participate in the reconciliation conference. Others invited to the conference from right-wing Christian groupings were ex-President Mr Camille Chamoun; the President's father, Mr Pierre Gemayel, leader of the Phalange Party; and Mr Suleiman Franjieh, a pro-Syrian Christian Maronite who was also a former President.

● Mr George Shultz, the U.S. State Secretary, has pledged that the U.S. Marines in Beirut will fight back "with vigour" if they came under renewed assault, **Reginald Dale writes from Washington.**

He did not, however, believe that the Marines were the target of a concerted attack.

Israeli leadership battle, Page 4

Pace of U.S. recovery begins to slow

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE RAPID pace of the U.S. recovery is beginning to slacken, with an increase of just 0.3 per cent in July's index of leading indicators, the Commerce Department reported yesterday.

The July rise in the indicators, intended to predict the level of economic activity in the weeks and months ahead, was the smallest gain since last August, when the index fell by 0.1 per cent. For the previous seven months the index had been surging forward by more than 1 per cent a month.

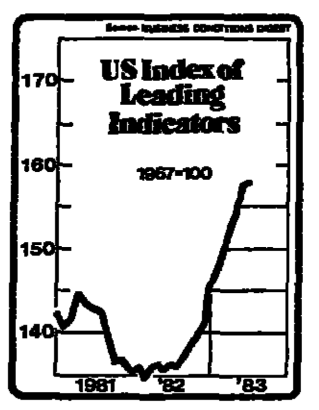
The slowdown was welcomed by Mr Malcolm Baldrige, the Commerce Secretary, who said that the "modest" rise was "an early indication that the economic rebound of the second quarter will taper to a more sustainable pace."

It was better that the growth in real gross national product should slow down from the second quarter's annual rate of 9.2 per cent to avoid upward pressures on prices and interest rates, he said. Mr Robert Ortner, the department's chief economist, said that 7 or 8 per cent was a "reasonable estimate" for the annual growth rate in the current July-to-September quarter.

A further sign that the frenetic pace of recent months may be settling down was a fall of 1.7 per cent in new factory orders last month, after a revised 5.1 per cent increase in June, the largest rise since December 1970.

Economists said that the latest figures appeared to confirm signs of a slight slowdown, already signalled by falling retail sales and sales of new family homes last month.

The department stressed, however, that the statistics did not necessarily mean that the recovery



was fading. A small increase in the leading indicators was not unusual at this stage of an economic upturn, officials said.

Seven months into the 1975 recovery the index had also been moving up by a monthly 0.3 per cent, before moving up again more vigorously in early 1976, they pointed out.

July's 0.3 per cent increase followed a jump of 1.9 per cent in June, revised upwards from 1.0 per cent, and a rise of 1.2 per cent in May, the department said.

The decline in factory orders, the biggest single change in the indicators, was accompanied by a drop in the formation of new businesses and a slowdown in the increase of raw materials prices.

Seven of the 11 indicators, however, showed modest increases. These were: a lengthening of the average working week, an improvement in the weekly initial claims for state unemployment benefits, orders for consumer goods, building permits, stock prices, money supply and outstanding credit.

Venezuela sacks state oil chief

By Kim Fuad in Caracas

SR LUIS Herrera Campins, the Venezuelan President, has dismissed the head of the state oil company, Petróleos de Venezuela, and replaced him with Dr Humberto Calderón Berti, the Energy Minister.

The decision flies in the face of open opposition from both his own Social Christian Copei party and the Acción Democrática opposition, the country's political establishment and a large part of the oil industry.

Gen Rafael Alfonso Ravard, who has held the state oil company post for eight years, said yesterday: "All I can tell you is that I am leaving, but I do not know who my successor will be."

Dr Calderón refused to confirm his appointment, saying it was a presidential decision that would have to be announced by President Herrera. A formal announcement is expected shortly.

The decision comes three months before Venezuela goes to the polls to elect a new President and Parliament, and in the midst of the worst scandal to rock the oil industry since nationalisation in 1976 – the discovery last month of a complex network of oil industry employees selling confidential information to purchasers of Venezuelan oil.

The opposition party, which appears assured of victory in December, deplored Gen Ravard's dismissal. The party's presidential candidate, Sr Jaime Lusinchi, has said that if Dr Calderón were given the oil company post, he would be removed by a new administration.

Dr Calderón's appointment will be for an initial two years and a new Government would have to change the statutes of

Continued on Page 14

Volvo achieves 59% rise in first-half profits

BY KEVIN DONE IN STOCKHOLM

VOLVO, the Swedish automobile, energy, engineering and food group, boosted its profits by 59 per cent in the first half of the year, with earnings in the first six months exceeding the profit achieved in the whole of 1982.

Turnover of the group – the largest industrial corporation in Scandinavia – rose by 46 per cent in the first six months to SKr 49.9bn ($6.3bn) from SKr 34.1bn in the corresponding period last year.

Nearly half the increase was derived from currency movements, particularly the devaluation of the Swedish krona last October and the strengthening of the U.S. dollar.

Sales in markets outside Sweden amounted to SKr 43bn, up from SKr 28bn a year earlier, while domestic sales rose to SKr 6.3bn from SKr 5.9bn. Exports from Sweden totalled SKr 11.9bn, compared with SKr 9.5bn in the first half of 1982.

In total, foreign sales accounted for 87 per cent of group turnover, compared with 83 per cent a year earlier.

Group income, after financial income and expenses, rose to SKr 2.4bn from SKr 1.5bn in the first half of 1982. In the 12 months to the end of June, 1983, group profit after financial income and expenses totalled SKr 3.142bn compared with SKr 2.2bn in the 12 months of 1982.

In the year to the end of June, the return on total capital (excluding non-interest-bearing, current liabilities) was 18.6 per cent.

The biggest factor behind the surge in Volvo profits and turnover was the group's car operations, which increased volume deliveries to customers to 183,000 from 161,000 in the first half of 1982.

Profits of the car sector jumped as a result of those strong sales, especially in the U.S., and because of favourable exchange rates, particularly between the krona and the U.S. dollar.

Sales of the most profitable larger cars, the 200 und 760 series, totalled 132,000 in the first half of 1983, compared with 116,000 a year ago.

The group's truck sector was not so successful and is still being held back by weak demand and severe price competition in Western Europe and the U.S. Volvo said it had defended its market shares effectively, but truck deliveries and profitability in the division had dropped. Big losses have been run up in Peru, and the U.S. subsidiary, Volvo White Truck, is still operating at a loss, despite general signs of a recovery in the North American market.

Despite the crisis in world markets for construction equipment, Volvo increased the volume of orders booked during the first half of the year, but profits were slightly down.

Deliveries of both marine and industrial engines increased, with the largest gain coming in the North American market.

Group turnover has been boosted by a near doubling of crude-oil sales to 7m tonnes by Scanoil, part of the Scandinavian Trading Company, a Volvo subsidiary.

Electrolux to sell cash register subsidiary

By David Brown in Stockholm and Charles Batchelor in London

ELECTROLUX, the Swedish household appliances group, yesterday announced a sharp increase in pretax earnings and at the same time revealed it was planning to sell its Hugin subsidiary, a manufacturer of electronic cash registers which operates in 10 countries.

The first-half results of Electrolux showed a rise in pre-tax profits from SKr 280m to SKr 787m ($99m). Sales grew by 21 per cent to SKr 15.8bn. The volume increase was lower due to the translation of SKr 9bn in foreign sales into Swedish kronor.

The company's Hugin subsidiary had sales of SKr 350m last year and operating profits of SKr 14m. The intending purchaser is a consortium of about 20 British institutional investors, led by Hambros Bank. The UK, which generates about 20 per cent of Hugin's sales and profits, is the company's largest single market. It claims its electronic cash registers have a 30 per cent share of the British market.

The consortium would transfer the ownership of Hugin Kassaregister, the parent company, and its nine foreign subsidiaries into a UK holding company. Hugin's management, headed by the present group chief executive, Mr David Pope, an Englishman, is believed to be interested in taking up a stake in the company's equity of about 10 per cent.

Electrolux revealed its plans to dispose of Hugin to the unions representing its Swedish workforce

Continued on Page 14

Abba investment company rescue plan, Page 15

US and Japanese groups link in Egyptian nuclear power bid

BY PAUL TAYLOR IN NEW YORK

WESTINGHOUSE Electric of the U.S. and Mitsubishi Heavy Industries (MHI), its Japanese licensee, have signed a deal under which they will jointly bid for a proposed $2bn nuclear power plant contract in Egypt.

That should strengthen the chances that Egypt will award the contract to the two. Framatome of France and Kraftwerk Union of West Germany are also each bidding independently for the contract to build the 900,000-to-1m-Kilowatt pressurised water reactor plant, due to be completed by 1990 or 1991.

Westinghouse confirmed yesterday that it had signed a preliminary agreement with MHI, after several months of negotiations. Final details have yet to be agreed.

Its decision to seek a partner for the bid stems from the company's concern over the possible lack of adequate funding support from the U.S. Eximbank.

MHI, which has several joint development and marketing projects with Westinghouse, is expected as part of the agreement to seek Japanese funding for the bid.

The bid deadline expires on November 26, recently extended by Egypt from September 26 in an apparent attempt to provide more time for financing details to be worked out.

Westinghouse initially recieved a letter of intent in 1976 from the Egyptian Government to build the reactor, but the letter was cancelled in 1981 after the U.S. and Egypt failed to reach a bilateral agreement on nuclear non-proliferation issues. The project was revived last year after the two countries finally signed such an accord.

A serious new stumblingblock appears to have emerged, however, concerning financing. According to Westinghouse, the Eximbank has already indicated that even if it approved the project, it would not provide funding up to its full cost.

Westinghouse added yesterday that Eximbank had also expressed concern over Egypt's ability to repay the loan, a concern that the company said it felt was unjustified.

The U.S. company said those difficulties over funding the huge project prompted it earlier this year to consider partners for the bid.

The $2bn cost of the project includes the plant, docks, wharves and other buildings at El Dab'a, about 100 miles west of Alexandria. Egypt has invited bids for the construction of two nuclear plants, although, because of Eximbank and other international financing agencies' lack of support, it is thought unlikely that any supplier would be able to raise enough financing for both units.

CONTENTS

The story behind Italy's Banco Ambrosiano affair is told by **Rupert Cornwell**, the FT's Rome Correspondent, in a book published today. In this second extract, he describes . . .

A strange, brief marriage

Rupert Cornwell

MEASURED in terms of days, the union between Roberto Calvi and Carlo De Benedetti was brief. It lasted precisely 65 days, from November 19 1981 to break-up and De Benedetti's complete withdrawal the following January 22. Nonetheless, it is peculiarly revealing, a single snapshot embracing opposite shores of Italian life, and illuminating Calvi at a vital moment. For the deal with De Benedetti marked the banker's last serious effort to win back respect and respectability.

Onlookers had every reason to be surprised by the marriage, for the two partners could hardly have been less compatible. Calvi was more secretive and suspicious than ever, hateful of publicity and frequently ill at ease on social occasions, the most private of Catholic financiers. De Benedetti epitomised the modern, aggressive face of Italian industry, known and admired abroad, and with a natural gift of self-projection. He is glossy and charming, and certainly not "Catholic," coming from an old Piedmontese Jewish family. In 1978, the year Calvi was subjected to the Bank of Italy inspection, De Benedetti was voted Italy's manager of the year for his success in revitalising the staid and slumbering Olivetti.

So what on earth were they doing together? Enrico Cuccia, the wise old man of Mediobanca, observed to De Benedetti: "I don't think you'll last six months with Calvi. Either you'll have him out in a week, or you'll withdraw. One of you has made a great mistake." In the first aftermath it seemed as if the man from Olivetti had erred; in fact that two tumultuous months probably harmed Calvi much more.

The first contacts occurred in October. De Benedetti wanted to place some bonds of Olivetti and CIR, a holding company he controlled, with Ambrosiano. His representative, Francesco de Micheli, went to see Calvi about the proposal, but came back with intriguing news. Yes, there would be no problem about placing the bonds, but Calvi wished to see De Benedetti personally, about something else. An appointment was made, and the two met in Calvi's office at Ambrosiano. The banker as usual spoke around the issue, crafty and evasive. First he offered a seat on La Centrale's board, but De Benedetti demurred. Then, suddenly, he came to the point.

Despite the conviction, Calvi insisted he was innocent. But he was tired: "I've had enough; there's no point my staying if the politicians, the Bank of Italy and the press are all against me," Calvi said. He wanted to hand over a healthy Ambrosiano, one which he had built into the biggest private bank in Italy. Would De Benedetti buy into Ambrosiano and become deputy chairman, with the understanding that he would take full charge after six months, once the appeal had been *upheld*?

De Benedetti went away to mull over the proposal. The challenge and the potential rewards were tempting; many believed that he was losing interest in Olivetti, and superficially Ambrosiano still seemed a sound investment. The drawback lay in having to work alongside Calvi for a certain period, for the two instinctively *were rivals, temperamentally* as different as could be. Eventually De Benedetti concluded that the prize was worth the risk, and terms were agreed. He would pay L50bn for a million shares in the bank. With 2 per cent of its capital, he would be Ambrosiano's largest single declared Italian shareholder.

Andreatta, the Treasury Minister, upon learning with no small surprise of the deal, remarked laconically that "the ways of capitalism are strange." Ciampi at the Bank of Italy was more enthusiastic. De Benedetti with his entrepreneurial drive and above-board methods might succeed where the central bank had long failed, in throwing light on the hidden foreign parts of Ambrosiano. Ciampi still felt the bank was safe—as the success of that summer's L240bn capital-raising operation seemed to confirm. If De Benedetti wanted to empire-build, then the central bank would not stand in his way.

The public announcement of the deal came as a bombshell. Calvi's motives were obvious enough: the arrival of De Benedetti, after the Agnellis of Fiat, Italy's best-known businessman, would give sorely needed lustre to Ambrosiano's image at home and abroad. It might even encourage foreign banks to resume lending to the bank—and thus permit the still secret overseas edifice to be shored up. De Benedetti? What was he about? Was he planning to abandon Olivetti, or was he seeking backdoor control of the *Corriere* newspaper which the Ambrosiano group effectively controlled? Some of Milan's wiser brokers and brokers were privately dismayed. Too much smoke had swirled around Ambrosiano for there to be no fire; De Benedetti was *risking* his reputation, they felt—perhaps more besides. One thing was *certain: that he would be no* sleeping partner and sooner more probably than later the two would be at loggerheads. After just three days that judgement was to be vindicated.

> **‘De Benedetti received a letter postmarked in Geneva setting out physical threats against himself and his children’**

On Saturday, November 21, De Benedetti arrived at Calvi's Drezzo home for a pre-arranged working lunch. He saw at once that his host had been transformed. Calvi seemed to him *like a frightened animal*, searching to escape the light. Clearly, someone or something had warned him off the association with De Benedetti. Calvi nervously told his new deputy chairman that he would have to wait before becoming operational, international reaction would have to be gauged. "What international reaction?" enquired De Benedetti, somewhat mystified. "International financial reaction," Calvi answered.

"There's no problem there," De Benedetti assured him, referring to an article in the *Financial Times* which pointed out that his entry could only improve Ambrosiano's reputation. No, it wasn't just *financial* reaction, Calvi said guardedly. Were there political problems then? No, came the reply, there were other reasons, "factors of international consensus."

At that stage De Benedetti thought the Mafia, or the P-2, were involved. In any case there was little point continuing there and then, so a new meeting was arranged for the following week. In the meantime *De Benedetti asked for an* office at Ambrosiano, a secretary, together with annual reports and balance sheets of the bank and its various affiliates. None of these requests was granted: indeed, an Italian journalist who rang Ambrosiano *asking for De* Benedetti was told that no-one of that name was employed by the bank.

As De Benedetti was to put it in a seven-page letter to Calvi on December 13 setting out his complaints, he encountered "a wall of rubber" everywhere he turned. Every demand for information was either fobbed off or ignored. The initial understanding was not being maintained, and Calvi seemed personally to be *doing his utmost to minimise* the importance of the deal.

Quite clearly the P-2 and whatever other forces were manipulating Calvi were signalling that De Benedetti's presence within Ambrosiano was intolerable. As the events of November 21 showed, Calvi too had been told unequivocally that he had made a mistake, and a grave one.

De Benedetti once asked Calvi about his relations with Gelli. The reply was that the two had not seen each other for ages, although Calvi understood that in hiding the P-2 grandmaster had undergone facial plastic surgery, to avoid identification and enable him to return to Italy. In fact Gelli was in frequent contact with the banker directly or through intermediaries.

De Benedetti too was made quickly aware of the shadowy presence of the lodge. Just before his first Ambrosiano board meeting on December 6, Calvi took him on one side in the corridor. "You be careful," he said, "the P-2 is preparing a dossier on you." There was no material, De Benedetti protested, *he had never had* anything to do with the lodge (indeed established private industry in Northern Italy was one of the few areas of national life uncontaminated by the P-2). Calvi insisted: "I just advise you to take care, because I know."

As the new deputy chairman persisted in his efforts to do his job properly, the warnings became cruder. Someone giving the name of "Ortolani" made several vaguely menacing calls to De Benedetti's home in Geneva, where his family lived. Then at Olivetti's headquarters at Ivrea he received a letter postmarked in Geneva setting out physical threats against *himself* and his children.

Thereafter, his relations with Calvi steadily worsened. De Benedetti sent Calvi letter after letter complaining of his treatment and took to insisting that his objections be recorded in the official minutes of executive committee meetings. And as information was withheld, De Benedetti's suspicions about Ambrosiano grew. For if Calvi was behaving so strangely, then he must have something serious to hide, quite distinct from the P-2.

Two other worrying signals reached De Benedetti. First, he read the 1978 Bank of Italy report which had foreseen the causes of Ambrosiano's future downfall. It was three years old, but the complaints of Padalino and his fellow inspectors about Calvi's refusal to supply information might have been his own. Second, the first real word was emerging about massive problems at Banco Andino.

De Benedetti was alarmed enough to send Olivetti's chief representative in Venezuela, Paolo Venturini, down to Lima to take a first-hand look. His telex back flatly contradicted the bland assurances of Calvi that Andino was a thriving and active bank. Rather, reported Venturini, it wasn't a bank at all, but a specially authorised financial company dealing exclusively in foreign business.

De Benedetti became genuinely scared. He finally secured a balance sheet of Banco Andino, showing that its loan portfolio had jumped from nothing to $800m in just 12 months—but with no explanation of how so remarkable an increase had been achieved in the unremarkable Latin American economy of the time, or of what the money was being used for. De Benedetti *raised the matter* with Calvi. But the chairman gave the familiar assurance: "Don't worry, it's all in the hands of the *sottane negre*" ("The black cassocks," ie the Vatican.) "The guarantees are fine."

There was to be no more time for De Benedetti to discover that these "guarantees" were merely the worthless letters of comfort, grudgingly issued by the IOR a few months earlier. For Calvi had decided that this inquisitive, forceful deputy chairman, who seemed the incarnation of both the Consob and the Bank of Italy inside his very boardroom, had to be ejected, and fast.

On January 12, De Benedetti sought to penetrate the ultimate sanctuary by demanding immediate details of just how the "approval" required for the foreign shareholders was granted, and a copy of the register of shareholders as well as the 1978 report by the Bank of Italy. Three days later he was brusquely informed that he would not be approved as deputy chairman that spring at the annual meeting (further proof, incidentally, of how Calvi controlled Ambrosiano).

After some hasty haggling, terms were agreed. De Benedetti would sell back his shares for the price he paid for them, plus interest and the placement of L27bn of shares in the portfolio of one of his companies. On January 22 the formal announcement of his departure was made, to no-one's great surprise: rumours of profound divisions between them had been rife for a fortnight. Four days later the long-aspiring Orazio Bagnasco was co-opted on to Ambrosiano's board as the new deputy chairman alongside Rosone, after paying an identical price to De Benedetti for a similar two per cent shareholding.

So what can one make of this brief, tumultuous marriage between "lay" and Catholic finance? De Benedetti was criticised subsequently for his behaviour, chiefly on the grounds that he managed to leave with a profit a ship that was to sink with all hands only five months later. To which he retorted that the circumstances of his departure should have been warning, clear enough for those with eyes to see, of the perilous state of Ambrosiano. His own feeling that January 22 was of disaster narrowly avoided. His mistake, he later admitted, was to have been tempted by Calvi in the first place. The same day De Benedetti wrote at length to Ciampi at the Bank of Italy, explaining his decision and the way in which he had been prevented from doing his job.

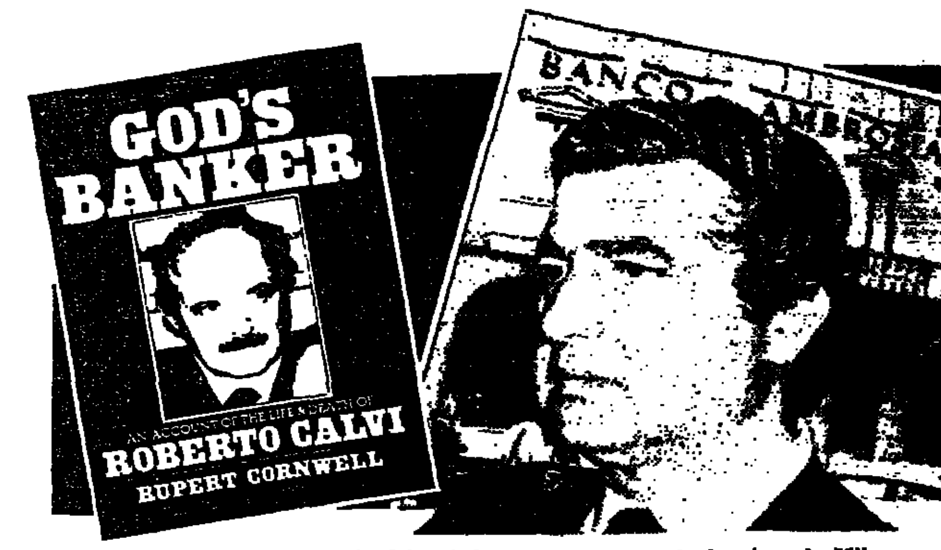
The entire episode only added to Ciampi's apprehensions about Ambrosiano; once again the authorities wondered whether to place the bank in the hands of commissioners, but decided against it. Might not De Benedetti simply have lost an ill-judged powerplay? Instead the central bank multiplied its demands for information.

The harassed Calvi was also under simultaneous attack from Rossi. After waiting in vain on January 19 for Calvi to attend a scheduled meeting to discuss Ambrosiano's bourse quotation, the Consob chairman in his exasperation began the procedure for having Ambrosiano listed in any event. Calvi was horrified, but there was little to be done. A week later, just after the appointment of Bagnasco, he capitulated. On January 28 he travelled to Consob's headquarters in Rome to seal the surrender. Ambrosiano would be quoted as soon as possible on the main market, and the long standing "clause of approval" for new shareholders would be abolished. In due course the first public list ever of Ambrosiano's main shareholders would also be disclosed.

Whatever judgment is made about Calvi, his life at this time must have been agony. Previous "friends" at the Vatican and the Roman political world were deserting him: at best indifferent, at worst openly manoeuvring to replace him. The pressures of the Bank of Italy, the nagging of the Consob, the pestering of Gelli and the like, the multiplying judicial investigations by magistrates in Milan and Rome, all had to be juggled into some kind of order. Everyone wanted money, promising protection that proved wanting, or solutions to the financial problems that were straws which snapped at the clutching. In the background loomed the appeal, the possibility it might fail, followed by the certainty of four years in a prison probably even less accommodating than Lodi.

Extract taken from "God's Banker—an account of the life and death of Roberto Calvi," by Rupert Cornwell, published today by Victor Gollancz, price £8.95.

A first extract was published in Tuesday's FT.



Carlo De Benedetti pictured in front of Banco Ambrosiano in Milan

Krakow clashes mark Solid… third annive…

BY CHRISTOPHER BOBINSKI IN WARSAW

SOLIDARITY supporters from the giant Krakow steel works clashed yesterday with riot police using tear gas and water cannon on the third anniversary of the Gdansk accords which gave birth to the now banned trade union.

The demonstration by up to 10,000 people followed a partial two-hour boycott of public transport called by the underground Solidarity leadership.

In Gdansk, Mr Lech Walesa, the Solidarity leader, kept strictly within the law and laid flowers at the shipyard monument surrounded by several thousand of his supporters—at the time the authorities approved.

The city, which was seen as the birthplace of Solidarity, witnessed a massive show of force by riot police yesterday morning and Mr Walesa appealed to the crowd chanting Solidarity slogans to disperse, saying: "That's enough for now—go home." His appeal was very much in line with the moderate approach he has recently adopted.

Last week, he answered government criticisms of Solidarity's record by Mr Mieczyslaw Rakowski, a Deputy Premier, by appealing for talks and declaring that he was in favour of Poland's Socialist system and its present alliances.

In Warsaw yesterday some workers at several large factories, heeded the transport boycott call and walked home. Trams and buses w… …ier than usual and filled up quickly at 4 pm as the action ended. The response will enable the underground leadership to claim success although the boycott was by far the mildest of all the tactics chosen since the crackdown on the union in December, 1981.

Many people put off their journeys while others walked. However, the number of passengers on the buses and trams was sufficient to enable the authorities to ignore the protest. Officials were refusing to comment on the day's events but they can be expected to declare them politically irrelevant.

Expected demonstrations in the capital did not take place, but groups of young union supporters gathered in a few places in the centre of Warsaw chanting slogans and marching along the pavement.

The groups, sometimes up to 1,000 strong, dispersed quickly the moment that baton-armed policemen moved in to check identity cards and used loud-hailers to call on people to go home.

Wroclaw, a large city in the south-west and in the past a volatile centre, was reported calm, and there were no incidents reported from Katowice, the country's industrial heartland. Krakow's Nowa Huta steel-working suburb, which has been the scene of fierce riots at regular intervals over the past 18 months, now appears to have become the main centre of militant Solidarity support.

Genscher attacks SPD on missiles

By Jonathan Carr in Bonn

HERR Hans Dietrich Genscher, the West German Foreign Minister, has accused the opposition Social Democrats (SPD) of encouraging illusions in Moscow that Bonn might weaken on Nato's nuclear missiles policy.

Herr Genscher said yesterday that since the SPD lost government office last year, it had moved steadily away from the security policy followed by ex-Chancellor Helmut Schmidt. As examples, Herr Genscher gave the wish of some SPD leaders to postpone deployment of new U.S. nuclear missiles in West Germany and to see British and French weapons drawn into the superpower arms talks in Geneva. Both London and Paris have rejected inclusion of their forces in the negotiations.

Speaking at a press conference, Herr Genscher poured scorn on the idea of Herr Oskar Lafontaine, a member of the SPD national executive, that West Germany should leave Nato. Such a step would mean self-isolation and "turn our country into a pawn of international policy," Herr Genscher declared.

GOVERNMENT PREPARES FOR EEC MEMBERSHIP

Lisbon introduces sweeping farm reforms

BY DIANA SMITH IN LISBON

THE PORTUGUESE Government has taken steps to prepare the country's agriculture for membership of the European Economic Community and allow private enterprise access to lucrative purchasing areas.

In a marathon 12-hour meeting, the cabinet of Sr Mario Soares approved a package of measures to liberalise a sector overwhelmed in 1975 by Communist-inspired efforts to bring in collective farming in the southern grain belt and strengthen existing marketing monopolies.

Fluctuations in production and erratic purchasing policies by official bodies have since swollen Portugal's imported food bills. Until now, patchy reforms by post-revolutionary governments have been unable to get to the heart of the problem.

The Soares Government has decreed that all public concerns dealing with agriculture or foodstuffs must be restructured. Market forces must govern import policies of concerns like Epac (grain purchasing), Iapo (oil seeds purchasing) and others.

These monopolies have borrowed heavily short term on international markets, and their buying policies have frequently been criticised in the past for bad timing and wasted money.

The monopolies will now have to face competition from commercial enterprises – a reform promised by the former Balsemao Government but shelved because of pressure from those determined to keep the monopolies intact.

Technical assistance to farmers will be strongly increased – a long-standing aspiration in a country with 800,000 subsistence farmers in the north and centre using methods which are in some cases centuries out of date.

Futhermore, training schools will be set up for young farmers to help the country prepare for higher standards of farm produce and more productive use of the soil.

The most politically sensitive measure is likely to be the decision to review the area of what the Communists called the agrarian reform – the Alentejo provinces where, the Soares administration says, the situation ranges from unclear to downright illegal.

Past Governments, it considers, turned a blind eye to the problem. The new measures involve more methodical return of part of the land seized in 1975 to its owners, inspection of the technical and economic positions of remaining collective farms and co-operatives (many of which have disintegrated since their heyday in 1975) and clear policies for distribution on non-occupied or non-nationalised land to small farmers.

● The fourth effort in three years to refloat the capsized container ship, Tollan, wedged in the mud of the River Tagus since 1980, failed, before a huge crowd of local onlookers on the river bank. The crowd, eagerly buying soft drinks and food as if they were at the circus, waited long hours to see the feat of engineering that never came.

The German salvage concern Sealift brought in giant cranes and sophisticated equipment to try to raise the Tollan, which is a danger to shipping and an eyesore.

Basque flood damage may exceed $3bn

BY TOM BURNS IN MADRID

PROVISIONAL estimates of the damage caused to San Sebastian's Guipuzcoa province by the recent catastrophic flooding total Pta 35bn ($235m) according to local authorities. Initial estimates in the neighbouring Vizcaya province, where the heavily populated Bilbao area was the hardest hit by last weekend's torrential downpours, are in excess of Pta 500bn ($3.36bn). The death toll is put at 36 but could be higher.

Both provinces, as well as parts of the inland Basque provinces of Alava and of the Cantabria region west of Vizcaya, were due to be formally declared disaster zones by the Government yesterday. The cabinet was meeting to review direct aid to the local authorities and to establish guidelines to protect an estimated 26,000 jobs threatened as a result of the floods.

A political side effect of the catastrophe has been the easing of tensions between the Basque authorities and the central Madrid Government. Madrid commentators claimed that the army and the security forces have earned themselves a new image among the Basques through their salvage work in the past days and that recent confrontations over the use of Basque and Spanish flags appear to have been forgotten.

The flooding moreover provided the opportunity for King Juan Carlos and for Prime Minister Felipe Gonzalez to tour the Basque region. In an adroit move, the Madrid Government smoothed over friction with the Basque regional government by channelling all aid through the Basque executive leader Carlos Garaikoetxea, who has been coordinating the rescue work.

Norway in new bid to right rig

By Fay Gjester in Oslo

THE SECOND Norwegian attempt to upright the capsized hotel platform Alexander Kielland, due to start today, has had to be delayed until tomorrow because of equipment problems.

The first attempt three years ago was called off on safety grounds, and the rig has been moored upside down in the Gands Fjord.

French put FFr 4bn more into public works fund

BY PAUL BETTS IN PARIS

THE FRENCH Government is to support the country's flagging public works industry with a further injection of FFr 4bn (£335m) into the special fund for the construction sector it set up last year. The fund was launched last August with FFr 4bn.

The government said yesterday that the money had helped generate public works totalling FFr 10bn. It hoped the second tranche would be as successful.

The fund is financed by a special tax on petrol. This will be increased by two centimes next August to raise the new funds.

The latest tranche, approved at a cabinet meeting yesterday, reflects the continuing concern of the French authorities about the state of the construction industry. The market is still on a downward trend because of the economic slump, local and central government budgetary cuts and high interest rates.

● The Government intends to freeze at 1983 levels aid to the severely depressed French coal industry next year, making some mine closures virtually inevitable, officials told Reuter

The decision is certain to anger miners who have called for increased aid to expand coal production.

France tightens control of illegal immigrants

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government, amid signs of an increase in racial tension, approved new measures yesterday to stamp out the employment of illegal immigrant labour.

The new measures are principally aimed at halting the illegal flow of workers from the Mahgreb countries – Algeria, Morocco and Tunisia – who provide cheap labour in large cities and on farms.

At the same time the Government also sought yesterday to reassure France's established immigrant population of about 4½m with fresh programmes intended to smoothe their integration into French national life.

Reflecting the Government's much tougher attitude over immigration, President Mitterrand told the weekly cabinet meeting: "Illegal immigrants must be sent home." Among new steps to be introduced are tighter controls over foreigners residing in France and speedier expulsion of those without proper authorisation; sharply increased fines for employers taking on illegal immigrant labour; and new limits on the employment of seasonal workers from abroad.

Mme Georgina Dufoix, the minister with responsibility for immigrants, declined yesterday to give any figure for the number working illegally in France, saying that figures she had seen quoted in the press were fantasy. Shortly after coming to power in 1981, the Government decided to allow 130,000 illegal immigrants who had entered the country before that year (and who had stable jobs) to remain.

Yesterday's measures mark a backtracking from this more liberal approach as a result of the disturbing increase in racial friction over the last year. The most dramatic example of this during the summer was the shooting in July of a nine-year-old Algerian boy on a crowded high-rise housing estate outside Paris. M Mitterrand afterwards went to visit the estate and also went to Venissieux, a housing estate on the outskirts of Lyons which has also been a centre of racial tension.

Record Italian jobless

BY JAMES BUXTON IN ROME

ITALY's official unemployment rate is continuing to rise, according to figures from the government statistical insitute Istat. Unemployment in April was fractionally short of 10 per cent of the labour force, a record figure.

Out of a total workforce of 22.9m, some 2.26m are in search of work. Of these, no less than 1.24m are looking for their first job. The statistics show that the number of those out of work last April – the latest month for which official statistics are available – was 104,000 higher than the year before, and that the total number of those employed had dropped by 67,000 in the same period.

The trend, however, is probably more important than the figures themselves. It confirms what one would expect from an economy showing no sign of emerging from recession, with industrial production down 7.7 per cent in the first half of this year compared with the same period of 1982.

Italian unemployment figures tend to reflect the fact that because unemployment benefit is low, especially for those who have never worked before, not all those who are unemployed actually register.

At the same time, most companies, instead of sacking redundant workers, put them almost permanently on the state-assisted lay-off scheme, the use of which increased by 26 per cent in the first half of this year. Those on the scheme, which also caters for workers on short-time, are not included in the unemployment figures but would swell them by several hundred thousand if they were.

To confuse the picture still more, many of those unemployed or laid off may be working at other jobs in the submerged economy. Although the true extent of "black" employment is not known, a research organisation attached to the Italian Communist Party recently estimated that, despite recession, only about 300,000 of Italy's 2.2m unemployed were without any job or occupation at all.

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OVERSEAS NEWS

NZ cuts payments deficit

WELLINGTON—New Zealand had a balance of payments deficit of NZ$878m (£383m) in the year ended July 31, compared with a NZ$1.8bn deficit in the year ended July 1982 and a NZ$718m deficit in the year ended July 1981, the Reserve Bank of New Zealand said yesterday, Reuter reports from Wellington.

The bank says export receipts were 13 per cent higher than the previous year ended in July. Forest products continued to be the only category to record a decline. Meat receipts were up 14 per cent.

As a result, the trade surplus improved from NZ$127m for the year to July 1982, to NZ$1.268bn for the year to July 1983.

There was a net official capital inflow (including IMF transactions) of only NZ$156m in the year ended July, compared with one of NZ$1.936bn the previous year.

Uranium mine arrests

Australian police arrested at least 76 anti-nuclear demonstrators at a mine on the site of the world's largest known uranium deposits yesterday, Reuter reports from Adelaide. They moved in when 200 protesters, camped about one mile from the shaft of the Rozby Downs Mine in South Australia, tried to block a bus carrying workers.

China 'tax holiday'

CHINA will extend the tax holiday it offers foreign companies in certainly newly established joint ventures in the country to five years from three, Mr Li Peng, Vice-Minister of Finance, said.

The preferential treatment will apply to those newly established ventures involving Chinese and foreign partners which have a life of at least 10 years.
Reuter

Levy refuses to step down in battle to succeed Begin

BY DAVID LENNON IN TEL AVIV

THE CENTRAL Committee of the Right-wing Herut Party is due to meet tonight to elect a new leader of Israel's ruling Likud coalition.

This follows the failure of the party leaders to agree on a single candidate to replace the Prime Minister, Mr Menahem Begin, who has announced his decision to resign.

Mr David Levy, the 45-year-old Deputy Prime Minister and Housing Minister, rejected calls from the Herut Party leadership to withdraw his challenge in favour of 68-year-old Mr Yitzhak Shamir, the Foreign Minister.

The issue will now have to be brought before the party's central committee, where Mr Levy believes he has more support than Mr Shamir, who is the first choice of the party leaders.

A very stormy session of the central committee of the Herut Party, which dominates the Likud bloc, is in prospect as the old guard battles to prevent the election of the youthful David Levy.

Whoever wins the leadership battle will face a major struggle to reconstitute the existing coalition. Yesterday four members of a Likud faction announced that they would only support a new National Unity government, which included representatives of both the Likud and the opposition Labour Party.

The current coalition controls 64 of the 120 seats in the Knesset, and would find it extremely difficult to survive for long with the support of only half the House.

Although the coalition still has almost two years left of its four-year term, the elections may have to be advanced to early next year.

Mr Begin, whose decision to resign created the current political turmoil, has not played any role in the succession stakes. Aides quoted him as saying earlier this week that "Israel is a republic, and the position of premier is not mine to bequeath to others."

The stature of the outgoing premier has played an important role in keeping together the coalition of disparate and often warring factions. With his pending disappearance from the scene, the bonds holding the coalition together are clearly beginning to loosen.

Chad peace bid gathers pace

BY QUENTIN PEEL, AFRICA EDITOR

DIPLOMATIC efforts to promote a peaceful settlement to the conflict in Chad are gathering pace, with a delegation from the Organisation of African Unity which arrived in Paris last night.

At the same time, a key Chadian group is in the French capital, anxious to promote all-party talks without any preconditions. It is led by Acheik ibn Omar, the Minister of Defence of the Libyan-backed rebel forces opposed to President Hissène Habré.

The OAU mission to Paris, led by Mr Peter Onu, the acting secretary-general, follows separate talks held by both French and Libyan envoys with the Ethiopian government in Addis Ababa last week. Col. Mengistu Haile Mariam of Ethiopia is current chairman of the OAU.

The French Government is known to be keen to promote a settlement through the auspices of the OAU, along the lines of the all-party conference which followed the Lagos accord of 1979, and ended the last major outbreak of civil war in Chad.

The diplomatic activity has gathered pace following the effective, if undeclared, ceasefire in the fighting within the country since the arrival of French troops in N'Djamena 17 days ago.

However, news agency reports yesterday from the Chad capital said there had been renewed guerrilla activity across the unofficial ceasefire line of the 15th parallel.

The problem to any early settlement of the conflict is that virtually all the parties have set mutually exclusive preconditions to talks.

The Government of President Habré insists that it will only talk to Libya, and not to the rival forces headed by ex-President Goukouni Oueddei now controlling most of the north of Chad with Libyan assistance.

President Hambré's offer of a "reciprocal non-aggression pact" with Libya appears to have been made with that in mind.

Ex-President Goukouni's faction maintains that it will only take part in talks after the withdrawal of all French troops from the country. For its part, France insists that it should not be part of any formal negotiations, while Libya still denies any involvement in the conflict whatsoever.

Singapore union drops challenge to minister

By Chris Sherwell in Singapore

SINGAPORE'S important petroleum industry union yesterday abandoned its attempt to defy Government plans for the introduction of Japanese-style "in-house" unions.

The decision, by the executive committee of the United Workers of Petroleum Industry, ends a growing confrontation between the union and the recently appointed leader of Singapore's labour movement, Mr Ong Teng Cheong.

Mr Ong, also now Minister without Portfolio, but a former Minister for Labour, replaced Mr Lim Chee Onn, who was dismissed by Mr Lee Kuan Yew, the Prime Minister, in April.

The petroleum industry union was widely viewed as presenting Mr Ong with his first major test. The union had passed a resolution in July effectively banning its members from organising in-house unions, thereby challenging the authorities' efforts to curb industry-wide unions.

Yesterday's meeting rescinded the July resolution, and if, as seems likely, the workers themselves confirm this decision, in-house unions will be created in the petroleum industry.

● The Singapore Ministry of Finance has released a list of companies in which the Government has equity participation, AP-DJ reports.

The list, believed to be the first such officially released, includes both private and listed concerns. Included are three wholly-owned holding companies, including Temasek Holdings.

The Government also listed stakes in several quoted concerns. These included a 12.2 per cent stake in Acma Electrical Industries; 19.7 per cent in National Iron and Steel Mills; 16.5 per cent in United Industrial Corp..

Over 1m attend Aquino funeral

MORE THAN 1m Filipinos turned out yesterday for the funeral of Mr Benigno Aquino, the opposition leader assassinated on August 21, in a display of grief which developed into a peaceful demonstration of opposition to President Ferdinand Marcos, Reuter reports from Manila.

The garlanded coffin, borne on a 10-wheel truck, inched along a 15-mile route from the Aquino family parish church in North Manila to a cemetery south of the capital.

The crowds surged alongside, between, before and behind the cavalcade of mourners in a procession that stretched for nearly two miles and halted traffic in much of the city centre.

The journey took nearly 12 hours. Some of the mourners carried placards reading: "No Reconciliation Under the Marcos Régime," "Ninoy, (Aquino's nickname) You Are Not Alone" and "Marcos, You Are Alone."

Police kept a deliberately low profile, though riot squads were on standby in case of trouble. By nightfall, with the cortège still moving at little more than a walking pace, no serious incidents had been reported.

Sind university shut after clash

KARACHI — Pakistan's military government has closed a university in the troubled province of Sind after students agitating against martial law blocked a highway linking Hyderabad with the Indian border, a Government spokesman said in the provincial capital of Karachi yesterday.

The Agricultural University at Tando Jam near Hyderabad, 125 miles north of Karachi, would be closed indefinitely, the spokesman added.

Police had used more than 100 canisters of tear gas trying to disperse several thousand students occupying the highway, opposition officials said.

The students, supporting a civil disobedience campaign launched by an opposition alliance known as the Movement for the Restoration of Democracy (MRD), kept up the blockade for five hours.

In Hala, north of Hyderabad, about 30 people were injured in a clash with police after a truck accidentally veered into a large crowd marching along a highway. Several people were also injured in the accident itself.

The crowd later attacked a post office and two banks in Hala before their religious leader, Mukhdoom Talibul Maula, who has led several protests against Pakistan's martial law, appealed to them to disperse peacefully.

Opposition spokesmen said more than 34 people had been arrested in demonstrations in Sind on Tuesday.
Reuter

Algeria lives within its means

BY FRANCIS GHILES

ALGERIAN LEADERS can be forgiven for affecting a calmer air than most of their Opec or Third World peers. The $5 cut in the price of crude oil agreed earlier this year could cost the country between $1bn-$2bn (£666,000-£1.3bn) in lost revenue in 1983 but that would not have a dramatic effect on the country's external finances.

Two factors explain why consistent policies over the past decade have significantly reduced Algerian dependence on exports of crude oil.

These exports are unlikely to account for more than 20 per cent of its foreign earnings this year. Crude oil is increasingly being replaced by natural gas, refined products, condensate and liquefied petroleum gas.

The ability of Sonatrach, the state oil and gas monopoly, to tailor its product mix to changing world demand has been a crucial factor in allowing the company to limit the decline in its foreign earnings last year to only 12 per cent—from the record $14.1bn in 1981 to $12.7bn.

The second factor was the decision taken in 1979 that increased foreign borrowing was no solution to Algeria's problems. The reappraisal of earlier economic development plans ushered in after President Chadli Benjedid came to power four years ago highlighted a number of problems and brought a shift in emphasis in many sectors.

Its major conclusion was that the previous concentration on investment in heavy industry had resulted in what the new leaders felt was an unacceptable high level of foreign debt. Algerian borrowers moved from feast to famine.

When Sonatrach raised $700m this spring, the first such operation for an Algerian borrower in over three years, the warm reception afforded the loan, despite very fine terms which included a split spread of ½-⅝ per cent for eight years with five years' grace, amounted to a show vote of confidence.

Algeria has always been very reticent when it comes to publishing debt figures, but reasonably accurate estimates suggest that had foreign borrowing not been halted in 1979 the country today would be travelling the same path to the IMF which so many other Third World countries have in recent months.

The total foreign debt rose to $24bn in 1980, $15bn of which was drawn down. The total debt is now estimated to have declined to around $20bn, of which maybe $17bn has been drawn.

This year marks the peak repayment year on the large sums borrowed in the 1970s: $4.3bn, a figure which could drive the debt service ratio as a percentage of exports to 37 per cent, if the country's hard currency income declines to $11.5bn. Thereafter repayment declines to $2.8bn in 1986.

Algeria continues to cut its cloth to suit its cloak and not just where foreign borrowing is concerned. Instructions to slow down certain imports, notably in the consumer goods sector, were issued last summer and total imports this year will amount to no more than Dinars 46bn (£6.3bn), a 5 per cent decline on last year's figures. Algeria last year ran a balance of payments deficit estimated at $2.5bn.

It is an article of faith in the current Development Plan 1980-84 that, rather than additional factories, Algeria needs efficient management of existing industrial plant.

The need to increase production on the land is also stressed but 10 years of demagogic slogans on the state-run farms and the rapid increase in the population make any turnaround in the agricultural sector an uphill task.

Food imports cost $2bn last year, to which must be added $1bn of subsidies for staple foods. Prices of fruit and vegetables are now three to four times what they are in a Western European city.

The authorities do not want to control those prices too closely because they know that it is only by convincing farmers that they can both earn a good living and have a surplus to invest—if they are in the private sector—that there is any hope of increasing production.

Similarly, moves to encourage private sector industry and agriculture are being taken. Under Mr Chadli's predecessor, Mr Houari Boumediene, private sector industry was held in deep suspicion. Now, apart from the need to create jobs, there is also a desire to set up factories to create consumer goods which are in short supply.

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WORLD TRADE NEWS

Securicor in lead for Pakistan security deal

BY JOHN ELLIOTT, RECENTLY IN KARACHI

TWO INTERNATIONAL security organisations are competing for a major contract to provide Pakistan banks and businesses with the country's first armoured protection system for cash in transit and for commercial premises.

Securicor of the UK is in the lead and hopes to start operations in Pakistan next January, expanding later into a Pakistan-staffed operation in the Middle East. But Brinks of the U.S. has recently become interested and hopes to wrest at least some of the business from Securicor.

Security services are rare in South Asia where banks are generally guarded only by elderly watchmen, often armed with ancient weapons. Banks close early so small businessmen store their takings at home overnight. Robberies are commonplace and banks are raided during civil disturbances such as the current unrest in the province of Sind.

President Zia's martial law regime in Pakistan has had some reservations about allowing a foreign-based company to provide a force of armed guards that might eventually straddle the country. But Pakistan banks urgently need increased security and the country's police are already overworked maintaining law and order. Securicor has also won extra support from the martial law regime by offering to employ former police and army staff in its operations.

Both Securicor and Brinks have obtained permission from Pakistan's Investment Promotion Bureau to set up local companies.

Securicor's company—called Securicor Pakistan—will start with Pakistan rupees 10m (£500,000) capital. It will be 40 per cent owned by the British parent company (which had hoped for a 49 per cent stake but was knocked down by the government), 30 to 40 per cent by Mr Mumtaz Khan, a Pakistani businessman living in London, and 20 to 30 per cent by Bankers' Equity, one of Pakistan's state-owned financial institutions which will be one of the main customers.

Brinks' local partner will be Phoenix Commercial, a Karachi-based trading house, and possibly a financial institution.

All Pakistan's banks are state-owned and the final decision about employing one of the security companies rests with the Pakistan Banking Council, a government-controlled body which watches over the banks.

Both Securicor Pakistan and Brinks want to start their security operations in the country with the potentially lucrative banking business, moving into other areas later.

They are now awaiting the verdict of the council which has to decide whether to tell the banks to employ only one of the companies, or to split the work between them, maybe on a geographical basis.

Securicor Pakistan's interest in setting up subsidiary operations in the Middle East coincides with plans drawn up by the British parent company for expansion in that area. Pakistan has strong political ties with the area, particularly Saudi Arabia, and already provides some guard services to ruling families.

Germany to boost export insurance

By John Davies in Frankfurt

A CHORUS of protest is growing against the West German Government's plan to raise the cost of export credit insurance, but ministers are determined to press ahead with an increase.

However, the Government has indicated it will consider flexible measures to try to ease the burden on exporters who are in particularly severe difficulties.

The latest industrial group to raise its voice against an increase in insurance costs is the Association of Engineering and Process Plant Manufacturers (VDMA), which has warned of a sharp fall in export orders this year.

In these circumstances it is completely misplaced to add to industry's costs through dearer insurance, the association says.

The industry's inflow of orders in the first half of this year was only DM 6.7bn (£1.7bn), while the last four quarters produced a total order inflow of only DM 14.7bn, down 41 per cent on a year earlier.

The VDMA said that because of the desperate state of world markets, no German companies had received a major order of over DM 200m so far this year.

German exporters were already labouring under high costs and had to cut staff and put workers on to short time, the association said.

Despite such pleas, the government is insisting that export credit insurance costs must be raised because of the likelihood of higher payouts on bad debts abroad.

It has estimated that Hermes is the privately run insurance group which administers Germany's export credit insurance—faces payouts of over DM 1bn a year during each of the next few years.

Payouts rose sharply last year to DM 930m from DM 770m in 1981.

Hermes' income from insurers' fees and from delayed recovery of debts actually covered the payouts last year, leaving over a surplus of DM 34m.

Hermes provides export credit insurance on about 10 per cent of West Germany's sales abroad.

World oil industry finds it harder to replace reserves

BY RAY DAFTER, ENERGY EDITOR

THE WORLD oil industry is finding it increasingly difficult to replenish its diminishing reserves, according to the U.S. Geological Survey. As a result most nations need to begin planning for alternative energy sources, engineers working for the Survey have told the World Petroleum Congress in London.

The Survey points out in a paper to the Congress that for the past decade world reserves of oil have been declining. The rate of oil discovery has been slipping for the past 15 years.

Eighteen engineers working full-time for a year to evaluate exploration prospects concluded that there was a good chance — a 90 per cent probability — of between 46bn tonnes and 202bn tonnes of recoverable oil being discovered in future years. The study concluded 79bn tonnes was the most likely value of future discoveries — enough to last for nearly 29 years at the present rate of production. Last year, according to industry estimates, international oil companies produced a total of 2.75bn tonnes.

This means that there is likely to be enough oil to satisfy the present rate of demand until at least the middle of the next century. The Geological Survey says that the amount of discovered — or "demonstrated" — oil awaiting production totals 103bn tonnes, enough to meet current production levels for 37.5 years.

The study estimates that the world's ultimate recoverable oil resource — the sum of crude produced so far, unexploited reserves and oil still to be discovered — totals 246bn tonnes. Some 40 per cent of this oil is believed to be in the Middle East.

According to the report there are no new exploration areas in the world which are likely significantly to change the present pattern of oil distribution dominated by the Middle East.

In order to find a further 79bn tonnes of oil, the industry would have to undertake a "massive" exploration programme. Most of the new oil would come from established areas, but the unexplored Arctic deep water, together with other frontier areas, could contain significant resources.

Th report concludes that while there is an immense quantity of oil still to be recovered — quite apart from unconventional oil like tar sands and shale — the world's capacity for consumption was also potentially enormous. "There is no room for complacency."

In a paper presented by Esso resarchers, the 2,500 conference delegates were told that by the mid-1990s motor-cars would be "lighter, lower and leaner." Up to a quarter of the cars would be diesel-powered while the popular car of the time was likely to have a fuel consumption of more than 60 miles per gallon.

UK team set for Florida despite tax law change

By Frank Gray

THE LONDON Chamber of Commerce wil go ahead with a trade mission to Florida despite its objections to that state's new tax laws aimed at the subsidiaries of foreign companies.

The tax law, known as unitary taxation, goes into effect in Florida today, bringing to 11 the number of U.S. states with such legislation.

The chamber, Europe's largest private chamber of commerce, has protested against the law, which allows states to calculate taxes on subsidiaries of foreign companies based on their corporate earnings rather than on their earnings within the state.

The EEC earlier this month formally lodged a protest against the state laws with the U.S. State Department. The protest followed a letter in July from Mr Nigel Lawson, the Chancellor of the Exchequer, to Mr Donald Regan, the U.S. Treasury Secretary, in which he called for a resolution to the dispute before British-U.S. trade relations deteriorated.

The chamber left the door open to an abandonment of the trip, saying that just four groups *had applied to go on the Florida* mission, set to take place November 5-13. The cutoff date for application is October 3. Meanwhile, the chamber's North America committee is to meet September 22 to discuss the tax issue.

Alarm that the new tax law might affect the mission was sounded in Florida on Tuesday by Mr Ben Atkins, a regional aviation authority director who was in London earlier this month to boost support for the visit.

Rapid switch to robots expected in Singapore

By Chris Sherwell in Singapore

MORE THAN 5,000 robots of various types may be needed by Singapore's growing industries overthe next ten years, according to a survey just published by the city state's Economic Development Board.

The outcome of the survey suggests that Singapore, because of its commitment to using high technology in its industrial development, may become an important market for robot manufacturers over the next decade.

The survey, conducted in May and covering 1,300 manufacturing companies in all sectors, indicated that up to 2,700 robots would be wanted in the next five years and between 3,200 and 5,300 by 1993.

More than 280 manipulators and over 100 reprogrammable robots of various types are already being used by about 70 companies in Singapore.

U.S. steel imports rise 27% in July

BY TERRY DODSWORTH IN NEW YORK

THIRD WORLD steel importers to the U.S. are grabbing an increasing share of the market as demand recovers for products going into consumer durable industries.

Figures released by the Commerce Department show that the decline in steel imports registered over the first six months turned round dramatically in July, when they rose by 27 per cent over the same period last year.

Imports from the EEC, however, have remained well down on last year because of the formal quota restrictions, while Japanese shipments have also fallen, following an informal agreement on restrictions. In the first seven months of this year, on the other hand, imports from Third World countries rose by almost 30 per cent to 3.1m tons.

The figures are certain to add to the vigorous campaign being mounted by the U.S. steel industry against steel dumping from developing countries. A number of trade complaints have been filed against these countries, principally Brazil, South Korea, Argentina and Venezuela. But the industry is complaining bitterly about the slow pace of progress in these inquiries.

The main upturn in U.S. steel demand has come from the motor industry and electrical equipment manufacturers, particularly for sheet and strip products. Sales were roughly 11 per cent ahead in these sectors over the first six months. But in the capital goods industries, which account for about two-thirds of steel shipments, volume is still down on the depressed levels of last year.

Danes win permission to sell insulin in U.S.

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish pharmaceutical and enzymes manufacturer, has received permission from the U.S. health authorities to market its human insulin in the U.S., an important breakthrough for the Danish company, which is a leading exporter of insulin, claiming 30 per cent of the market in the non-Communist world. Novo is now able to sell human insulin in 10 countries—the U.S., eight European countries, and Malaysia.

So far, sales of human insulin, which began in Europe last year, have built up slowly, Mr Sonnich Fryland, sales director, said.

But, since Nova set up a joint sales and marketing company in the U.S. last year, with Squibb, the U.S. pharmaceutical company, Novo's insulin sales in the U.S. have developed rapidly.

The combination of Novo's highly purified insulins and Squibb's sales and distribution power has enabled Novo to increase its share of the U.S. market from an estimated 5 per cent two years ago to over 20 per cent totday.

The Novo human insulin is made by an enzyme-based process by which porcine insulin *is chemically* modified to give it the same molecular structure as insulin produced by the human body.

The human insulin has achieved a 16 per cent share of the Novo insulin sold in Ireland, and a slightly smaller share in the West German market, but in the UK the share is still in "low single digit figures," said Mr Fryland.

● A MAJOR Norwegian shipping group and a U.S. oil concern have agreed to establish a joint venture company to operate a large fleet of offshore supply vessels in the Gulf of Mexico, Fay Gjester writes from Oslo.

The deal is between Norway's Wilhelmsen and Tenneco of the U.S. The new company, Argosy Off-Shore, will meet part of Tenneco's requirements for supply ship services to its 120 oil installations in various parts of the Gulf.

Argosy will start operations on October 15, from headquarters in Lafayette, Louisiana. Its senior staff will consist largely of experts seconded from Wilhelmsen's Oslo headquarters.

Free trade call for Pacific

By Our World Trade Staff

COUNTRIES in the Asian-Pacific region are in a strong position to help arrest and reverse the trend to international trade protectionism, says a report by the London-based Trade Policy and Research Centre.

The report, released today, urged those countries to embark on a major programme of trade liberalisation, one which would extend tariff reductions to imports from other countries.

The leading economies "have become increasingly blind to their own interests and, therefore, inevitably blind to those of the world economy as a whole," the report, entitled In the Kingdom of the Blind, pointed out.

In such a situation, even small countries which see their interests clearly can exercise a powerful influence in such a situation.

In the Kingdom of the Blind: A Report on Protectionism and the Asian-Pacific Region, Trade Policy Research Centre, 1 Gough Square, London EC4. £3.

Egyptians to make Zanussi products

ZANUSSI, Italy's leading manufacturer of "white goods"—domestic electrical products—has made two important production agreements in Egypt, James Buxton writes from Rome.

The Egyptian state-owned Delta Industrial Company is to make Zanussi washing machines and fridge-freezers under licence and a private-sector Egyptian company named Electrostar for Refrigeration, is to build a new plant on the outskirts of Cairo to make Zanussi two-temperature fridges.

AMERICAN NEWS

Quebec law angers companies

By Robert Gibbens in Montreal

A CHANGE in Quebec law which has made it illegal for companies to use non-unionised labour to do the jobs of workers on strike may cause companies to move their factories to other Canadian provinces.

The issue has come to a head following the decision of Menasco Canada, a subsidiary of Colt Industries, which is Canada's largest manufacturer of landing gear and hydraulic control systems for aircraft, to move its operations from Montreal.

Workers at Menasco have been locked out for 14 months after the unions rejected a new contract, but production has continued with subcontractors and management staff filling in.

The company, which has 364 unionised workers and 200 not in unions, says that it cannot fulfil its contracts if the Quebec law is enforced.

The law has been strongly criticised by Quebec employers, who fear that it will distort the pay bargaining process. Menasco's employees had been offered a pay rise of 26 per cent over three years, but rejected the offer because they objected to other clauses not related to pay.

UK opposes Falkland talks

By David Tonge, Diplomatic Correspondent

BRITAIN yesterday told Sr Javier Perez de Cuellar, the UN Secretary General, that it remained opposed to negotiations with the Argentines over the sovereignty of the Falkland Islands.

Sir Geoffrey Howe, the British Foreign Secretary, explained to Sr Perez de Cuellar, Britain's demand that Argentina should stop harassing its forces and make a formal declaration that hostilities have completely ended. Britain sees this as essential if relations are to be normalised. It also wants evidence from Argentina that it is prepared to meet its financial commitments to British firms, end the commercial sanctions introduced during the Falklands War and consider moves such as the reopening of air services between the countries.

Venezuela banking creditors divided on debt package

BY PETER MONTAGNON IN LONDON

VENEZUELA's commercial bank creditors were divided yesterday on whether to continue work on a proposed $18.4bn debt rescheduling for 1983 now that the government of President Luis Herrera Campins has dropped plans to seek International Monetary Fund assistance this year.

A poll of the 13-bank advisory committee spearheading the debt talks with Venezuela revealed that a substantial minority, thought to number five institutions, was against proceeding with the discussions. The poll was carried out at a meeting of the committee, chaired by Chase Manhattan, late on Tuesday night.

Opposition to continued talks with Venezuela stems above all from worries about the country's large arrears on debt payments. Late payments on public sector debt amount to some $120m, with even larger arrears on private sector debt.

The banks, including both U.S. and European institutions, who want to break off the talks argue that this is the only way of retaining their bargaining power with Venezuela over the arrears.

Although they represent a minority on the committee, it is a minority which in the words of one member "cannot be ignored."

The committee is to meet again in New York today in an effort to work out a common approach to Venezuela's decision not to seek an International Monetary Fund loan before the general elections scheduled for December 4. At this meeting, banks still in favour of talking with Venezuela will press their case very strongly.

They believe that administrative work on a rescheduling agreement will still take at least three months, and such an agreement should be ready for the time when Venezuela may decide to adopt an International Monetary Fund programme after its elections.

Not to proceed on this basis would be dangerous, they argue, and might bring about the resignation of Sr Arturo Sosa, Venezuela's Finance Minister and further confusing changes of personnel at the Finance Ministry.

Moreover, Venezuela's persistent inability to organise payment of interest on time has led to a stream of complaints from its bank creditors and, without rescheduling talks, the risks of a formal default is enhanced. Around 80 per cent of the country's total $27bn public sector debt is concentrated among 30 to 40 large banks, but there remain over 400 smaller creditors who are becoming restive.

This week, some of them have balked at extending a $42m loan to the public works agency, INOS, which fell due on August 11. Lead manager Credit Suisse First Boston declined to comment yesterday, but other bankers say such instances are becoming commonplace.

Jamaica circulates new debt refinancing terms

BY OUR EUROMARKETS CORRESPONDENT

JAMAICA has circulated its creditor banks with proposed terms for a rescheduling of some $160m in debt falling due between July this year and the end of March 1985. This is the country's fourth refinancing operation since 1978.

The rescheduling, which is to be co-ordinated by the Bank of Nova Scotia, provides for all the debt to be rolled up into a single loan maturing in 1990. Banks will receive interest at a margin of 2½ per cent over London Eurodollar rates or 2⅛ per cent over U.S. prime.

The country's foreign exchange earnings have suffered from a fall in shipments of bauxite ore as well as lower income on sales of sugar and bananas to Britain. At the same time prospects of raising fresh loans from international banks have diminished because of the Latin American debt crisis.

Jamaica, which has about $2.3bn in foreign debt, expects to start repaying the rescheduled loans by instalment from April 1986.

Concern over U.S. hazardous waste

By William Hall in New York

THE U.S. is producing 150m tonnes a year of hazardous waste, four times as much as originally thought, according to the Environmental Protection Agency (EPA), the environmental watchdog agency of the U.S. Government.

The figures have emerged from a two-year study, the first of its kind and which is scheduled for completion by November. Preliminary findings of the study were released earlier this week and refer to 1981 statistics.

The new evidence on the extent of hazardous waste production is likely to increase pressure on the Administration to tighten its controls on disposal. There has been concern for some time that the Administration was not paying enough attention to pollution problems and that the EPA has failed to act efficiently to clean up disposal sites.

The agency came under fire for its mismanagement earlier this year in a row that culminated in the resignation of Ms Anne Burford, its administrator. Mr John Skinner, director of the EPA's office or solid waste, said that the new figures wer not a cause for alarm and said that there was no evidence that the U.S. was about to be overwhelmed by large quantities of solid waste.

Although nearly 60,000 companies have filed data with the EPA, a core of 14,100 companies are responsible for most of the waste. Most of these are in the mid-west. There is another large concentration in the middle Atlantic region.

Some 71 per cent of the hazardous waste produced comes from the chemical industry, the EPA reported. More than half of all hazardous waste (57 per cent) is disposed of burying it deep underground. Slightly over a third is stored on the surface, and the rest is disposed in land reclamation.

UK NEWS

Caterpillar shuts factory with loss of nearly 1000 jobs

BY LYNTON McLAIN

THE LOSS-MAKING U.S. Caterpillar Tractor company is to close its earthmoving equipment factory at Birtley, Tyne and Wear, on the north east coast of England, with the loss of almost 1,000 jobs.

Some production of bulldozer parts, dump truck bodies and components for heavy plant will be transferred to the company's works at Glasgow Scotland, and possibly to Leicester when the Birtley plant closes next year. It seems likely that the Glasgow plant will then have to source some components abroad.

A slump in orders for construction plant and equipment, excess capacity at the Glasgow and Leicester works and the need to consolidate UK manufacturing operations left Caterpillar "no choice but to close the Birtley works," Mr Robert Burrough, the plant manager, said yesterday.

Caterpillar Tractor is the world's largest producer of earthmoving, construction plant and materials handling equipment, but it has been hard hit by two years of slim order books, intense competition in world markets and a six month strike at its U.S. factories which ended in April.

These factors contributed to a deficit of $180m on sales of $6.47bn last year, its first loss for 50 years. The company again operated at a loss in the first half of this year, losing $264m after tax on sales of $2bn. Caterpillar has forecast a profit next year after a likely deficit for the whole of the present year.

Vauxhall faces imports ban in pay dispute

By Brian Groom, Labour Staff

MORE THAN 6,000 workers at Vauxhall's Luton car factory, in Bedfordshire voted overwhelmingly at a mass meeting yesterday to support plans for a blockade of imported Vauxhall/Opel vehicles if the company's 5 per cent pay offer is not substantially increased.

Other workers at Ellesmere Port, Merseyside, have already called for talks on an import ban to be opened with lorry drivers and dockers.

Leaders of the Transport and General Workers' Union will be lobbied for official support at the Trades Union Congress meeting in Blackpool on Monday.

Unofficial strikes over the offer by different groups continued at Luton, where 100 cars were lost on Tuesday night's shift, and a similar number yesterday. Disruption at Luton and Ellesmere Port has caused loss of production of vehicles worth well over £1m at retail prices since the pay offer was made last Thursday.

Vauxhall pointed out yesterday that negotiations were at an early stage. The settlement date is mid-September. Unions have refused to re-open talks unless an improved offer is made, but a further meeting leading to a new offer seems likely to be arranged in the next few days.

The strength of reaction to the 5 per cent offer will be causing concern within the company about how high it would have to be raised to avoid an all-out strike.

CEGB cuts coal order for power generating

BY RICHARD JOHNS

THE CENTRAL Electricity Generating Board's (CEGB) commitment to purchase coal will be cut from 75m to 70m tonnes in the year from November under an agreement reached yesterday with the National Coal Board (NCB).

The deal is understood to involve an average price increase of 2.7 per cent – well below the rate of inflation.

Both sides were anxious to strike an agreement that would limit increases in coal costs to the electricity supply industry and have a restraining effect on forthcoming pay negotiations with the National Union of Mineworkers.

At present coal accounts for 40 per cent of the price of each unit of electricity generated and a reduction in sales to the CEGB is likely to have a strong bearing on the pay talks which begin on September 7.

The deal was reached on the eve of Mr Ian MacGregor, the former head of the state steel industry, taking over as chairman of the NCB.

Board changes at FT

MR ALAN HARE, chairman and chief executive of the Financial Times, is to hand over his executive duties on October 1 to Mr Frank Barlow, at present general manager of Westminster Press. Mr Hare, 64, will remain chairman of the FT until his due retirement date in March next year.

Other management and editorial changes were announced yesterday, all effective on October 1. Mr Richard McClean, managing director (marketing) will become deputy chief executive, and Mr David Palmer, at present deputy editor, will take over the newly created post of general manager of the newspaper and become a director of the FT.

Mr Richard Lambert, until recently FT chief correspondent in New York, will become deputy editor of the paper.

Mr Hare said yesterday that the appointment of a new chief executive was "in order that my successor can co-ordinate the short-term and long-term developments of the company as quickly as possible."

Mr Barlow joined Westminster Press group in 1967 as general manager of King & Hutchings. Previously he had been with Overseas Newspapers – part of the Daily Mirror group – and had a number of appointments overseas in the West Indies, in Nigeria and in Belfast.

He became responsible for industrial relations in the Westminster Press group in 1974 and retained this responsibility after he became general manager of the group in 1976. He has been prominent as a member of the national negotiating committee of the Newspaper Society, and has also been closely involved in the introduction of new technology in regional newspapers.

Buyers in line for computer maker

EIGHT UK computer companies have expressed an interest in Grundy Business Systems, the microcomputer manufacturer which is to go into liquidation.

The company, which is 30 per cent owned by the British Technology Group, is believed to have an order book in the region of £1m.

Mr Anthony Wheeler, Grundy finance director, declined yesterday to comment on the size of the company's debts.

Grundy ran into trouble because of its success with the NewBrain computer designed by Sir Clive Sinclair.

The computer, launched in July last year, became one of the best-selling micros in the UK after only five months. When demand exceeded production Grundy expanded output only to find that sales were declining.

"This led to severe cash flow problems and an unacceptably high level of component stocks and completed NewBrains," the company said in a statement.

Efforts were made to get new finance for working capital and to fund technical developments, but failed.

● PROSPECTS of the defunct De Lorean sports car plant in Belfast being used by Sir Clive Sinclair's Sinclair Research company to produce electric cars appeared to strengthen yesterday. Sinclair said it was extending its option to acquire plant and machinery from the De Lorean receivers, and was continuing discussions on use of the site.

● TWO THIRDS of Britain's leading companies believe they will have executives working from home by 1988. Already more than 20 per cent of companies with sales exceeding £500m a year have executives working from home using professional personal computers, according to a survey by the organisers of the International Business Show.

● SHELL UK is studying schemes which could cost well over £1bn to recover further oil from its North Sea fields. Between 570m and 855m barrels of additional oil could be recovered by using advanced production techniques. But Shell says the projects are technically risky and extremely expensive.

FINANCIAL TIMES SURVEY
Thursday September 1, 1983

Four-wheel drive

European and American manufacturers are fighting back against Japanese domination of the sector. An increasing number of makers is now producing a variety of four-wheel drive cars and runabouts which are winning new customers outside the utility and military markets

ON OTHER PAGES

Battle for Far East markets

By Kenneth Gooding
Motor Industry Correspondent

ONE OF the most *intriguing* developments ever seen in the light four-wheel-drive business took place in May when the American Motors Corporation, nearly half-owned and managed by Renault of France, acquired a substantial shareholding in the *Beijing Jeep Corporation*, based in Peking, China.

AMC's chairman, Mr Paul Tippett, says that his company hopes to break the grip the Japanese have established on the Far East four-wheel-drive markets by combining American know-how to improve Beijing's product and productivity with the 60 cents-an-hour labour costs in China.

AMC paid $8m cash and $8m *in technological knowhow for* a 31.6 per cent stake in Beijing and will re-invest its profits to take the holding up to 49 per cent, leaving the Government *as major shareholder.*

Beijing currently produces about 20,000 all-wheel-drive, civilian vehicles a year based on a Russian design which dates back to the 1950s.

AMC plans to update the existing model and then to introduce as quickly as possible a vehicle based on its new, lighter-weight CJ Jeep. At first engines and other components will be sent from the U.S. but the *object is* to have every part made in China eventually.

In any case, AMC reckons it can at least double the Beijing output within three to four years. *To put this into some* context, the world's best-selling four-wheel-drive vehicle, the Toyota Land Cruiser, had an output of 130,000 last year *while* in Britain Land Rover turned out just over 53,000.

Mr Tippett says the Beijing vehicles will be exported throughout the Far East and Australia *and* there *might* be some assembly of Chinese kits in other countries where they insist.

Four years ago Japanese manufacturers were contributing only 25 per cent of the world's output of light four-*wheel-drive* vehicles. By 1981 their share had jumped to nearly 50 per cent.

1981 was the year that the all-wheel-drive output of AMC, *whose Jeep started the whole* business, was overtaken by that of Toyota, biggest of the Japanese vehicle groups.

Seven of the nine Japanese car *companies* are in four-wheel-drive production. While most automotive manufacturers still view *it* as an operation outside their mainstream activities, the Japanese perceived that the all-wheel-drive vehicle gave them the chance to gain a *toehold in some developing* countries where imports of built-up cars are restricted but utility vehicles were more acceptable.

Prepare

By sending *in* some *four-*wheel-drive vehicles, the Japanese makers were able to set up the semblances of distribution networks and prepare *for the time—perhaps decades* away—when they could follow through with ordinary cars.

The growth of the Japanese market share was due also to a collapse of demand for four-wheel-drive vehicles in the U.S. where, in the balmy, pre-oil crisis days, it reached 1m vehicles a year.

Many were bought by youngsters who relished the chance to get off the highways and have some fun.

The American companies lost most of these "leisure" customers when the mid-1970s oil supply crisis pushed petrol prices up.

By *1981, light four-wheel-*drive output in the U.S. was down to only 371,000 vehicles, giving the States just 35 per cent of worldwide production *totalling 1.06m. Output of* AMC had dropped that year to 144,000 from 270,000 at the peak.

But, as the Beijing deal shows, the Americans are fighting back.

While Renault has been developing cars suitable in the U.S. to replace the ageing AMC range, the American company has been able to use its expertise to produce a Jeep which is "new from end to end" and due to be launched this coming autumn.

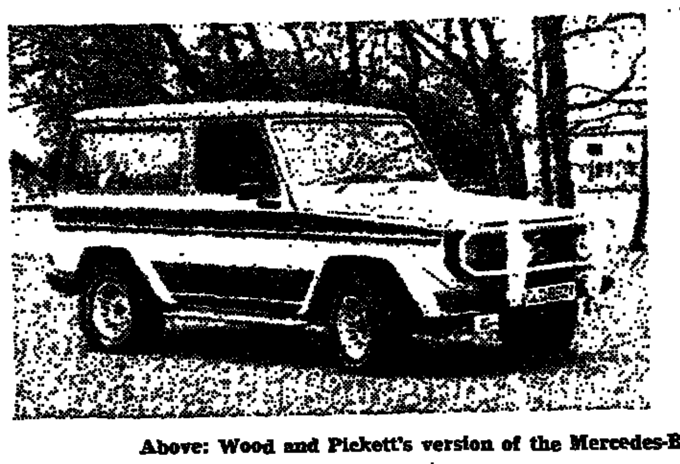
The new Jeep, lighter and much less thirsty than its predecessor, has been designed to sell throughout the world. "A major objective is to re-establish ourselves in export markets and get some of the growth in the non-U.S. markets says Mr Roy Lunn, a British-born vice-president for AMC.

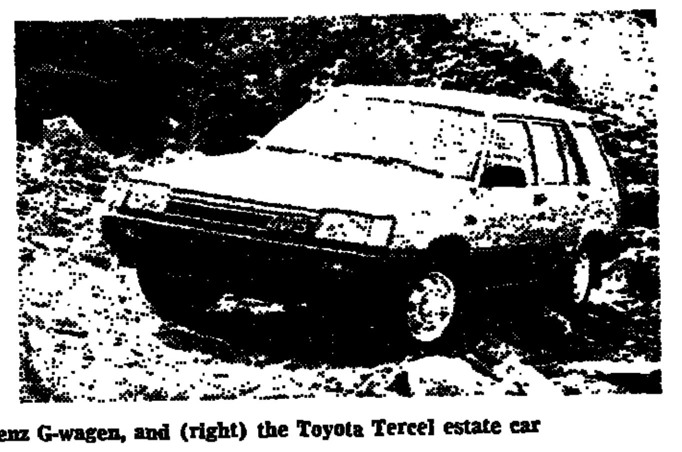
Renault can help by making its strong dealer network available. *However, M* Pierre Tiberghien, head of Renault's car division, admits that the strength of the dollar makes any immediate push into European *markets unlikely.*

The two major U.S. groups, General Motors and Ford, have each also introduced lighter and more economical models for 1983. The new *Ford* Bronco and GM Chevrolet Blazer should not only make things a little more difficult for Japanese four-wheel-drive vehicles in the States but will also enhance prospects for American exports.

But Europe this year has seen some significant changes in the all-wheel-drive sector. BL has introduced the Land Rover One Ten, the most significant development of the Land Rover since it was launched in April 1948 and the most important vehicle to emerge so far from the BL subsidiary's £200m investment programme.

The One Ten looks very similar to its predecessors but the ride and *handling* have been improved considerably so as to appeal more to private buyers, an area where Land Rover's main rivals, the Japanese Toyota *Land* Cruiser and the Nissan Patrol, have made increasing inroads.





Above: Wood and Pickett's version of the Mercedes-Benz G-wagen, and (right) the Toyota Tercel estate car

Attractive

This should make the Land Rover more attractive to private buyers in Continental Europe while not upsetting the British company's military and other fleet buyers.

Land-Rover as a company faces increasing competition close to home from one Japanese company in particular. Nissan, the Datsun group, has bought control of Motor Iberica, the Ebro concern of Spain. The first vehicles to spring from this association, Ebro versions of the four-wheel-drive *Nissan* Patrol, rolled off the assembly lines at Iberica's Zona Franca plant at the end of January.

Between 4,000 *and* 5,000 vehicles will be produced this year with output ultimately rising to an annual 15,000, if all goes to plan.

Nissan produced about 41,000 Patrols in Japan in 1981, almost exactly the same as Land-Rover's output that year. Land-Rover apparently is quite phlegmatic about the Nissan project in Spain because it believes the Spanish-built products will be very different from the Japanese ones. Certainly the Ebro Patrols have a high level of Spanish content, including British-desgined but Spanish-made Perkins engines.

Japanese exports to Spain are not officially permitted so the Nissan components for the Ebro Patrol (the transfer case, dashboard *moulding* and *some* panels) are being shipped to Spain via the "back door" of West Germany.

Initially, exports of the Ebro *Patrol will* be limited to Portugal and Italy because Iberica cannot keep up with home demand. Ultimately, Nissan hopes that two-thirds of output will be exported.

How this will affect Land Rover's 49 per cent-owned associate in Spain, Land Rover Santana, remains to be seen but *it will not* make life any easier. Santana has been producing about 17,500 Land Rovers a year from kits sent from Britain. By agreement with BL, Santana *is* supplying those export markets traditionally associated with Spain — North *Africa is the prime* example.

So far, in spite of the problems — which ended only recently — of exporting from a British base in the face of an over-valued pound, Land Rover has substantially maintained its position in those markets and *in those sections of the four-*wheel-drive business in which it is represented.

For, just as with cars and commercial vehicles, there is really no such thing as a "four-wheel-drive market." In its own way it is as fragmented as the market *for*—and now *includes* —passenger cars, a trail blazed by Japan's Subaru.

However, the most solidly-based part of the market has *proved to be the workhorse* sector which, in 1981, accounted for about 308,000 vehicles of which Land Rover, including Santana in Spain, took over 20 per cent or 65,000 vehicles.

Part of Land Rover's strength is that its longstanding customers such as the forces and the police have stuck to the British vehicle in spite of the blandishments of the Japanese who mainly have had to make *do with sales to private* individuals.

However, for strategic reasons, those countries in the West with their own major car *makers prefer to buy from* a national company and this has encouraged a strange phenomenon: the small-scale and uneconomic output of four-wheel-drive workhorses by the European majors.

For example, Fiat has been producing about 4,000 a year of its Campagnola, almost entirely *for* the *Italian military.*

And in France, obviously with an eye to the fact that Renault has its all-wheel-drive capability "offshore" in the U.S., Peugeot *recently entered the* business with the P4, said to be capable of over 100 mph—but for sale *to military customers only.*

In Germany, Volkswagen produces the Iltis, bought by a few private customers as well as the German Army, and there are rumours that Daimler-Benz is rethinking its all-wheel-drive strategy.

Certainly the Mercedes group seems to have made one of its rare miscalculations with its entry into four-wheel-drive. Production of the Mercedes "G-wagen," *made in Austria for* Daimler-Benz by Steyr-Daimler-Puch, fell to 5,500 in 1981 against 7,500 the previous year and a target output of 11,000.

Even the Japanese have been feeling the recession's squeeze. Growth in Toyota's four-wheel *drive output slowed to only* 1 per cent in the first 11 months of last year while production by Nissan, the number two Japanese vehicles group, actually fell by 11.4 per cent (Nissan produced about 84,000 four-wheel-drive vehicles in 1981).

Mr *Richard Murray, Land* Rover's marketing director, suggests that the Japanese share *of the world* market now seems likely to stabilise at about 50 per cent, whereas Europeans such as Land Rover still have room to expand.

For example, Land Rover (or Daimler-Benz with the "G-wagen" for that matter) have still *to* tap the potential in North America.

Profitable plant opening new markets

UK—the Land Rover development programme

LAND-ROVER is one of the very few self-contained businesses within the BL group which consistently has made profits.

That alone would have put it towards the top of the list of BL operations ripe for privatisation drawn up by the Government.

If you add the fact that the company is practically self-sufficient, buying only a few steel pressings from other BL plants while being a major supplier of gearboxes and engines to other manufacturers, it comes as no surprise to find that the Government a year or so ago was lining Land-Rover up for sale.

Sir Michael Edwardes, chairman of BL at the time, revealed in the recently published memoirs or his five-year stint with the group that it had required the services or not one, but two merchant banks to convince the Government that selling off Land Rover would have been counter-productive.

Eventually, Mrs Thatcher and her ministers reluctantly had to accept that the Government would have had to pump even more money into BL if Land Rover was sold, taking its healthy cash flow with it.

Today BL executives still argue that it would be better to concentrate on bringing the whole of the BL's commercial vehicle operations back to good health before looking for a buyer or buyers for the complete business.

The Land Rover operations are grouped with those of Leyland's bus and truck interests into the Land Rover-Leyland subsidiary headed by Mr David Andrews, one of BL's two chief executives. The Land Rover company includes Range Rover manufacturing and, more recently, the Sherpa van-making operations were incorporated in a subsidiary named Freight Rover.

Hostile

Last year was an extremely difficult one for Land Rover. "The environment was more hostile than at any time in our history," according to Mr Tony Gilroy, the new managing director—and as a result, while the company continued to be profitable, its earnings "remained at an unsatisfactorily low level."

In 1982 Land Rover increased output and maintained export earnings at £220m in spite of that "hostile environment." An additional £100m was earned from the sale of spare parts.

Total vehicle output moved up from 51,500 to 53,140 last year, consisting of 39,900 Land Rovers (down from 41,060 in 1981, and 13,235 Range Rovers, up from 10,440 the previous year.

Mr Gilroy says the success of the four-door version of the Range Rover, introduced last year, helped lift output of that vehicle to the highest-ever level of 300 a week. Two years ago production was scarcely 200 a week.

Land Rover exports roughly 80 per cent of its British output and its vehicles are sold in 120 countries. Local assembly takes place in 21 countries, with the main plants being in Australia, New Zealand, Nigeria and Spain.

Last year, exports to many traditional markets in Africa and the Middle East were cut significantly because of financial problems in some of the countries in those areas.

However, Land Rover has been opening new export markets in the past two years. The Libyan, Indonesian and the Philippines markets were opened up for the first time and sales to Algeria increased substantially. "We had no significant presence in any of those countries before 1980," Mr Gilroy says.

Like much else within BL, Land Rover was suffering from a desperate lack of investment four years ago when it was split away as a separate entity within the group. At that time Mr Mike Hodgkinson became managing director and stayed until the end of 1982 when he moved to the Watney Mann brewing business.

Strategy

When he arrived at Land Rover, Mr Hodgkinson found the company already had a £500m investment programme ready to go ahead under the terms of the strategy laid down for BL in the 1975 plan drawn up by Lord Ryder and his team.

But by the time this was formally announced in 1978 it had already been pruned to £310m and today it is clear the final bill will be about £200m even though there has been a significant addition in the form of the joint diesel engine project, codenamed "Iceberg," between Land Rover and Perkins.

The programme has also been stretched. The original time scale was for the expansion to take place between 1978 and 1983. Now it will not be completed until next year.

This means that Land Rover's capital expenditure has been running at an annual rate of about £35m to £40m.

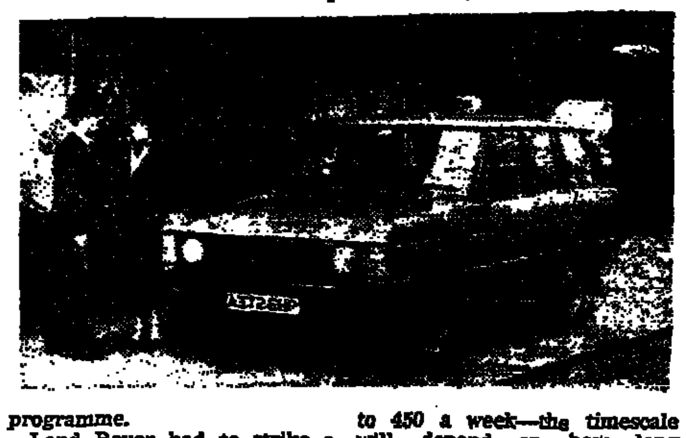
In the early days, the major chunk to be removed from the investment programme was a plan to split production between the existing Solihull plant and Canley, not far away in the Midlands.

Originally, Canley was to be rebuilt on the back of the four-wheel-drive programme, but Mr Hodgkinson was able to persuade the BL Board that the Land Rover operations should be kept together mainly on one site at Solihull.

He also changed the main thrust of the programme away from simple capacity addition towards product development to take account of changes in the market. Land Rover's problem indeed turned out to be not so much inability to meet demand but weakness in the face of a determined push into its market by the Japanese—in particular, Toyota with its Land Cruiser and Nissan with the Patrol.

Land Rover has weathered this attack to a great extent because about 60 per cent of its overseas sales go to utility, users such as armies and police forces which are much more interested in reliability than comfort.

For this reason, Land Rover took an evolutionary rather than a revolutionary approach when developing the One Ten, the most significant development of the Land Rover vehicle since it was launched in April 1948 and the most important product to emerge from the investment programme.



The latest from Land Rover. Above: the One Ten, the most significant model since the company's workhorse was launched in 1948. Below: the "In Vogue" limited edition version of the Range Rover, launched last month at a price of £17,000

Land Rover had to strike a balance between an improved design to appeal to private customers and a more fundamental specification for the utility fleets. But the ride and handling have been improved considerably.

Although the emphasis of the investment programme was changed towards product development—culminating with the launch of the One Ten in March this year—Land Rover will still double capacity to about 110,000 vehicles (on two shifts) a year of which 25,000 would be Range Rovers. This compares with the output of between 50,000 and 60,000 annually for the past ten years or so.

Modernisation of the facilities has brought with it tremendous productivity gains. But, with demand remaining at a relatively low level, this automatically involved a severe reduction in the workforce which has been cut from 14,200 four years ago to 9,800. Last year about 100 jobs were affected by the closure of some small "satellite" component plants in the Birmingham area.

Land Rover expects output of the One Ten ultimately to rise to 450 a week—the timescale will depend on how long customers keep buying the 109 which continues in production, as does the 88-inch wheelbase version.

The One Ten was first launched in the UK and Switzerland and is being introduced to the rest of Continental Europe on a market-by-market basis.

It should help boost the Continental share of Land Rover's sales above the 10 per cent level it has held for many years, particularly as BL has been beefing up its distribution networks in the main Continental markets.

Vehicles have already been shipped for detailed assessment to prospective customers in the Middle East, where the One Ten goes on sale later this year, and Malaysia, Australia, New Zealand, Indonesia and North Africa.

Much of what was needed to be done at Land Rover has been completed, but as David Andrews, the chairman, says: "The timing of recovery in world trade—on which Land Rover-Leyland depends for some two-thirds of total revenues—remains uncertain."

Kenneth Gooding

UK FOUR-WHEEL DRIVE SALES

	1982	%	1981	%
Commercials				
Land-Rover	6,004	59	5,666	51
Subaru	1,032	10.1	1,827	16.4
Diahatsu	1,229	12	1,183	10.6
Suzuki	392	3.9	1,012	9.1
Toyota	990	9.7	999	9
Jeep	162	1.6	137	1.4
Bedford	184	1.8	—	—
Total market	10,181		11,121	
Cars†				
Toyota	331	0.02	190	0.01
Range Rover	2,696	0.17	2,394	0.16
Lada	96	0.01	114	0.01
Jeep	4		68	
Total market	4,797		2,857	

† %Total car market

Source: SMMT

Sales boost challenges Japanese

The U.S.

WITH U.S. auto manufacturers simultaneously buffeted by prolonged recession and competition from Japanese imports, four-wheel drive vehicles have been enjoying a largely unheralded boom.

The success of new, smaller, more fuel-efficient vehicles by U.S. manufacturers in the 1983 model year has been responsible both for a comeback of sales for four-wheel drive light trucks and utility vehicles, and a strong challenge to the Japanese makes that formerly had a near-monopoly in the field.

Strong introductory sales of four-wheel drive versions of new, compact pickup trucks at the beginning of the 1983 model year were given additional momentum in the spring, when Ford and GM also both introduced downsized versions of their light utility Bronco and Blazer models—station wagon-like four-wheel drive vehicles based on light pickup truck chassis.

Both types of vehicles are benefiting from revived interest in the U.S. in recreational vehicles in general — a phenomenon generally attributed to the dramatic reduction in fuel prices, although it is only the smallest, most fuel-efficient four-wheel drive models that are improved over the previous year.

Overall sales of domestic versions in the U.S. are up 68 per cent for the first quarter, to 146,290, while total 1982 four-wheel drive sales improved to just over 24 per cent, or 376,880 units. That is one of the strongest gains of any sector of the U.S. motor vehicle industry.

In contrast to the U.S. passenger car market, which has seen small-car sales continue to be dominated by imports despite the development of supposedly-competitive new small cars by domestic manufacturers, domestic light trucks, including four-wheel drive versions, have made significant inroads against imported competition.

The success of the smaller more fuel-efficient trucks — which still are larger than Japanese imports — is accompanied by dramatic shifts in market shares favouring the domestic makes.

In 1981, Japanese makes took 37.8 per cent of total U.S. sales of light trucks, 6,000 lbs GVW and under, totalling 1.2m units. But in 1982, the first year for the new downsized vehicles from Ford and General Motors, the Japanese share slipped to 29 per cent of a market that had grown to 1.4m units.

During the first quarter of 1983, U.S. manufacturers repeated the performance with four-wheel drive vehicles, limiting Japanese makes to 14 per cent of the total four-wheel drive light truck and utility vehicle market, against 20 per cent during the same quarter the previous year.

Contrast

The new products that have rekindled interest in the sector in the U.S. mainly are similar in concept to previous designs, merely smaller. In contrast to their passenger-car strategies neither Ford nor GM replaced their larger four-wheeel drive predecessors, adding instead to the existing product line.

Ford added a four-wheel drive version of its Ranger pickup truck at the beginning of the model year, and GM likewise added the extra driving axle to its S-10 and S-15 model compact trucks. The impact of these two trucks alone on four-wheel drive sales was significant —Ford sold 10,240 four-wheel drive Rangers and GM 12,450 four-wheel drive compact trucks in the first quarter of 1983—against none the previous year.

The small pickups were joined in March by new light utility vehicles introduced by both GM and Ford.

Ford's Bronco II, 19 inches shorter than the old Bronco design, gets better than 20 mpg, compared to the 15 mpg achieved by the "big" Bronco. GM's Blazer II model similarly is 15 inches shorter than the full-size model and claims 40 per cent improved mileage.

Incremental sales gains in March from the new utilities were 2,500 for Ford and 8,500 for GM—with the full-size versions virtually the same as the previous year.

American Motors Corp., which builds the open-bodied four-wheel drive Jeep announced a new, small, closed-body four-wheel drive "XJ" Cherokee model due to be introduced in September. It is the first in a series of changes in AMC's four-wheel drive product line, which include introduction of a new 2.5-litre engine, and discontinuing its small CJ-5 Jeep in the 1984 model year.

To build the new XJ model, AMC is investing some $200m in improvements in its plant in Toledo, Ohio—its most expensive retooling programme for the year.

AMC has turned almost all its passenger-car development work to French shareholder Regie Nationale des Usines Renault, with its U.S. engineering staff concentrating on development of four-wheel drive vehicles.

Using this expertise, AMC's subsidiary AM General Corporation recently won a $59.8m contract from the U.S. Army for the development of 1¼ ton four-wheel drive, diesel-powered tactical vehicle.

In contrast to the success of the domestic output, total U.S. sales volume of imported four-wheel drive pickup trucks was down by 11 per cent in the first quarter of 1982, with importers mainly blaming increased competition from the new U.S. small trucks. Imported trucks also carry a 25 per cent tariff, highest for any imported vehicle in the U.S.

Regardless, Mitsubishi Motor Sales Inc. this April began selling the Montero in the U.S., a utility vehicle that resembles the Toyota Land Cruiser. Toyota itself introduced an unusual hybrid in 1983 — a four-wheel drive Tercel model with a station wagon body.

While four-wheel drive passenger cars have been relatively scarce in the U.S. market, AMC plans to continue its Eagle model, while importer Subaru Motors of America offers both sedans and station wagons.

So far, there has been only patchy interest in four-wheel drive passenger cars for the U.S. market, since they are not suitable for the kind of rugged off-road terrain associated with utility vehicles and pickup trucks. In any case, marketing studies show that outdoors usage is mainly "image" in that even four-wheel drive utility vehicles are rarely driven off the road.

Dan McCosh

Home sales expanding rapidly

Japan

DEMAND FOR four wheel-drive vehicles has taken off in Japan during the past two years largely, but not only, because of the advent of the four-wheel-drive mini. In 1980, 68,500 cars, trucks and "Jeep type" vehicles in the four-wheel-drive category were registered in the domestic market but the number more than doubled to just under 145,000 in the following year and reached 240,000 in 1982.

This year the industry expects to sell more than 300,000 vehicles in Japan alone—a figure which makes four-wheel-drive by far the most rapidly expanding sector of the domestic car market. Japan's four-wheel-drive exports have grown rapidly as well but not at anything like the pace of domestic sales given the limited number of overseas markets for mini vehicles.

Introduced

The manufacture of four-wheel-drive cars in Japan dates back to the early 1930s when *Mitsubishi* Heavy Industries introduced the first such vehicle on to the home market. In the early 1950s Mitsubishi started knockdown production of Jeeps in Japan and by the early 1960s all major Japanese car manufacturers had entered the market.

"Jeep-type" vehicles were the rule in Japan as elsewhere until 1975 when Fuji Heavy Industries, the manufacturer of Subaru cars, came out with a medium-sized passenger car, the Leone, which was available in either a four-wheel or normal drive version. The 1.3 to 1.8 litre Leone remained the only car in its class until 1982 when Toyota, the largest Japanese car manufacturer, produced the Sprinter-Carib (a four-wheel-drive version of the Tercel medium-sized passenger car).

The first mini-type four-wheel vehicle to appear in the Japanese market was the Suzuki Motor Company's Jimny which made its debut in 1975. The original Jimny was a Jeep-type vehicle with a 360 cc engine (later increased to 550cc). Its successors have been four-wheel-drive versions of the standard "one box" mini cars popular with Japanese farmers and with small businessmen living in mountainous areas.

The first one-box four-wheel drive car, the Subaru Sambar, appeared in 1978 and was an immediate and striking success. In the next three years three other Japanese car makers, Suzuki, Mitsubishi and Daihatsu, launched cars in the same class. The birth of the one-box mini four-wheel-drive meant that sales of mini four-wheel-drive cars in Japan jumped from 18,000 in 1980 to 172,000 in 1982. No other category of cars has seen a remotely comparable sales increase in Japan's domestic market during the past three years.

Companies involved in the manufacture of four-wheel-drive minis say the start of the boom in 1978 reflected both success in miniaturising four-wheel-drive components and the appearance of a class of farmers and small businessmen who could afford the extra Y100,000 (£425) or so needed to purchase such cars.

The rapidly growing number of women drivers in Japan also has been a factor in the boom. Four-wheel-drive minis have lighter steering than traditional rover-type vehicles and are claimed to be much more suitable for women drivers. This is significant since a large amount of basic farm work in Japan is now done by women.

Future trends in the Japanese four-wheel-drive market are expected to include the emergence of rover type vehicles that look more and more like ordinary passenger cars as well as of cars in the one-litre class that are available in either a normal or a four-wheel-drive version.

The Mitsubishi Bajero, a rover-type vehicle with improved suspension, relatively light steering and a comfortably upholstered interior is regarded as a pointer to the way the market for the larger category of four-wheel-drive *vehicles could* move. In the next year or two. So far as the medium to small end of the market is concerned it appears certain that Fuji Heavy Industries will launch a four-wheel drive one-litre car.

The fashion for four-wheel-drive vehicles is not the only new consumer craze to have appeared in Japan's domestic car market during the past two years. Turbo-powered cars and diesel engines are also much in demand from Japanese drivers who have apparently grown weary of the conventional medium-sized passenger car with a petrol engine. Manufacturers of four-wheel-drive vehicles have reacted to this situation, not surprisingly, by trying to combine all three fashionable features into a single vehicle.

The diesel-engined turbo-powered version of the Mitsubishi Pajero is claimed to be the only vehicle of its kind in Japan at present but its success could tempt other makers to follow.

Japan's export ratio for four-wheel-drive cars is probably far lower than the export ratio of the motor industry as a whole but some individual manufacturers seem to have identified promising sales opportunities. Several producers of four-wheel-drive minis are shipping their cars in ckd form to Taiwan (where relatively high incomes and similar farming conditions to those of Japan make the cars potential sellers). Mitsubishi says that its larger four-wheel-drive vehicles have a "natural" market in Latin America but that so far only Colombia is licensing their import.

In the U.S., overall levels of Japanese car exports are rigidly controlled but in Europe—where only certain countries maintain restraints—the four-wheel-drive manufacturers appear to sense an opportunity.

Charles Smith

LEADING JAPANESE FOUR-WHEEL-DRIVE VEHICLES IN 1982

		Production	Domestic	Exports
1	Toyota Land Cruiser	129,000	8,000	126,000
2	Subaru sedan/wagon	106,000	22,000	82,000
3	Suzuki Jimny	92,000	25,000	64,000
4	Toyota Hi-Lux	88,000	4,300	84,000
5	Subaru Sambar midget	44,000	44,000	250
6	Suzuki Carry midget	41,000	41,000	—
7	Nissan Patrol	39,000	1,600	38,000
8	Datsun truck	37,000	3,500	33,000
9	Toyota Tercel 4WD*	32,000	6,500	21,000
10	Daihatsu Taft	24,000	200	23,000
11	Mitsubishi Minicab	24,000	24,000	—
12	Isuzu Trooper	22,500	6,000	16,000
Others		80,000	32,000	47,000
	Total	760,000	218,000	534,500

* Passenger car introduced in the fall of 1982 Domestic sales and export figures do not always equal production total owing to time lag in sales.

Source: JAMA

Latest entrant in the 4wd "hybrid" market—for Land-Rover-type bodies with saloon car-type interior fittings—is the Pajero from Mitsubishi (above). The range includes a turbo, and is sold as Colt models in the UK.

The diminutive Suzuki SJ410V (below) has sold well in most of Suzuki's export markets for several years.

Exports a goal of expansion

Spain

THE INCREASING orientation of Spain's motor manufacturers towards exports is about to be reinforced over the next few years in the four-wheel drive section with the arrival of the Japanese.

Until now this sector has been the preserve of Land Rover's licensee in Spain, now known as Land Rover Santana, 49 per cent owned by the British company. Exports have been essentially limited to those areas to which Land Rover agreed to give its Spanish affiliate sole hunting rights—South America and parts of North Africa.

This pattern is due to change by 1985. The first Japanese vehicles made in Spain have begun rolling off the production line at Motor Iberica, a Barcelona-based company whose principal line of business used to be tractors and whose majority ownership has changed from Spanish hands to those of Nissan.

Three hundred of the Spanish version of the Nissan Patrol—differing little from the Japanese original except for the Perkins-licensed diesel engine—were produced for the domestic market in March, and output is to be stepped up during the year to 28 a day.

Having got over some initial hitches, production for the year is scheduled at 4,500 vehicles, of which 500 are expected to remain as stock.

Nissan has placed a strong emphasis on quality and finish in order to develop a market for normal private use, but it is also counting on taking part of the traditional market occupied until now by Land Rover.

Land Rover Santana has responded by signing an agreement with Suzuki of Japan for manufacture of the lighter "Jimny" runabout with a 1,000 cc engine, also designed to exploit the potential for personal use four-wheel-drive in Spain and other Mediterranean countries.

Protected

With the Spanish police and armed forces as important outlets for its standard Land Rover models, Santana, based at Linares in the south of the country, has up to now enjoyed a protected home market. Since the original licensing agreement in the early 1960s its vehicles have become of mostly Spanish-content and the company has reciprocal arrangements with the UK group to supply some components.

Though the company itself will not give figures, experts elsewhere in the industry say production of Land Rovers has fallen from the level of about 17,000 reached four years ago and stabilised at about 15,000 a year. Of this total a quarter or a third go to the agreed export markets where the British group does not sell, they say.

The addition of a new Suzuki model from next year, with an expected capital participation by the Japanese company, will help use Santana's capacity, reckoned to be up to 40,000 vehicles a year. Initial production for the Jimny is scheduled to be 10,000 a year, rising over a period of two years to double that number.

The buggy-style vehicle, which is seen as complementary to Santana's Land Rovers, broadening its four-wheel-drive range, may perhaps be sold at *a later stage in other export* markets beyond those of southern Europe.

Part of the rationale behind Santana's project with Suzuki is to compete in the new markets being sought out by Nissan-Motor Iberica, just as much as the latter plans to encroach on Santana's preserve, including the important security forces market.

Exports of the Spanish-made Nissan patrol to the EEC are not scheduled to start until 1985, starting with Italy. But future expansion prospects are very much pegged to exports. Under its agreement with the Spanish authorities the company is committed to selling 60 per cent of its production abroad, failing which it is limited to a basic quota on the Spanish market.

Nissan, which bought up Massey-Ferguson's minority stake in Motor Iberica three years ago, has built up its holding to between 55 and 56 per cent of the Spanish company's capital of Pta 7.1bn ($52m), a further Ptas 2bn increase in capital will lift its participation to over 60 per cent.

Currently about 60 per cent of the vehicle, including the engine, suspension and gear box, is made in Spain—the minimum required—but this proportion is due to rise to 85 per cent in two years' time.

The 2.7 litre diesel motor is relatively underpowered compared with the Japanese version. Although this is considered satisfactory for the domestic market, where utility vehicles have to be diesel-powered, alternatives are being looked into to meet the expected demand for higher performance from clients in other countries.

After a light van, the Vanette, due to start production next year with a Japanese-designed engine, the company's Japanese-Spanish management is working on plans for a third model.

David White

Nissan's Datsun Patrol. Exports of the Spanish-built vehicles are scheduled to start in 1985

Using the performance

THE USUAL REASON for having four-wheel drive is to keep moving on terrain that brings a two-wheel drive vehicle to a standstill. But there is another: to increase the road-holding capability of a high-performance car by spreading the engine's power among four tyre contact patches, not two.

The improved safety and ease of driving has to be experienced to be believed.

The more civilised on-off road vehicles are personified by the Range Rover, which was launched 13 years ago and is still the best vehicle of its kind. They are as capable as the roughnecks of clambering in and out of quagmires or ascending slopes like the roof of a house but far more comfortable to ride in.

Longer suspension movement made possible by using coil springs instead of laminated leaves takes the iron out of their ride. Given a reasonably skilled hand at the wheel, they are even better across country because softer suspension and greater axle articulation will improve traction.

The Range Rover has been changed only in detail during its long life. In its latest form it has power-assisted steering—a near essential for road use, especially if it is to be driven in town and by the less muscular — and an automatic transmission option. It has permanent four-wheel drive with a central differential to prevent transmission "wind-up" on hard surfaces.

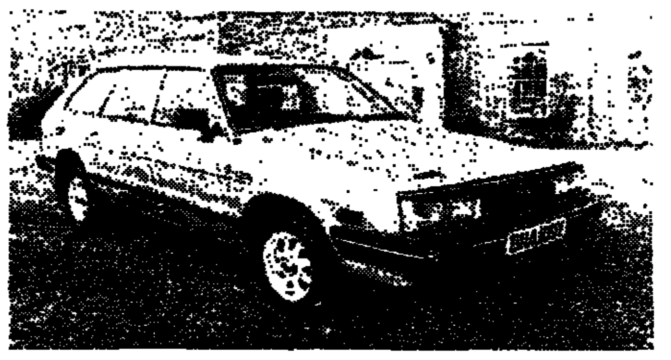
The Range Rover has been a classic case of a marketing success coming about by accident. Rover thought it would be bought by farmers for use on the land during the day and as a private car outside working hours. It was not. The Land-Rover remained the work horse; the Range Rover became the leading recreational four-wheel drive, pulling horse boxes and yacht trailers, carrying shooting parties to grouse moors or spectators to Badminton.

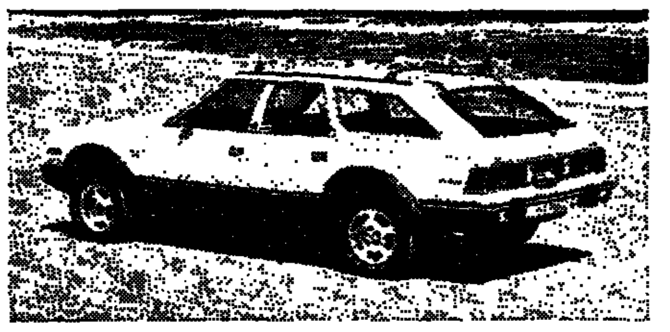
Many buyers never take them off hard roads at all; some, it is said, are even unaware it has four-wheel drive. It is a machine admired for its strength and social status and for scaring off taxi drivers when used in town.

Driven hard, it behaves like a somewhat elephantine sports car. The automatic is better than the manual on the road but the reverse is true across rough country. The latest ones are less noisy, especially in the transmission, and the four-door bodywork has broadened their appeal considerably.

Rivals to the Range Rover tend to lack its visual *panache*. The Daimler-Benz *Geländewagen*, though mechanically magnificent, with lockable front and rear differentials, a five-cylinder diesel or six-cylinder petrol engine option and a four-speed automatic, has been commercially disappointing. It is held to be too good to be used as a Land-Rover, and yet not distinguished enough in appearance to appeal to the Range Rover set.

Toyota's Land Cruiser station wagon, with a 4-litre, six-cylinder diesel, five speed manual transmission and power steering as standard, is effortless (and surprisingly economical) on the motorway, capable across country. Much the same may be said of the Nissan Datsun Patrol, with six-cylinder petrol or diesel engines, two lengths of wheelbase, power steering and seductively competitive pricing.





Top: Subaru of Japan's 1800 estate, latest version of a model which was first in the mass-produced 4wd car/estate sector; above, American Motors Corporation's Eagle, which for several years has found a ready market in the U.S., particularly among winter sportsmen.

Power steering

Both Land Cruiser and Patrol are more car-like to drive than even the latest Land-Rover One Ten though, with V8 engine and power steering, this is closer to the Range Rover than its leaf springs; but the four-109-inch Land Rovers. The Land Rover One Ten, now coil-sprung, rides better than the Toyota or Nissan, which have leaf springs; but the four-cylinder One Tens are still off-road vehicles that may be used on the highway rather than rugged, roomy estate cars that combine saloon amenities with off-road capability.

Soon to be available in Britain is another compact, up-market 4 x 4. The Mitsubishi Colt Shogun falls halfway between the Suzuki and the Range Rover in size. Its six-cylinder engine makes it lively and smoothrunning on the road. A car-like interior is aimed at recreational buyers and the pricing could be keen.

By far the most significant four-wheel drive car to appear in years is the Subaru. In essence, this is a front-wheel drive medium-size family saloon or estate offering the owner the possibility of putting power through to the back wheels when more traction is needed, as it might be in mud, snow or sand.

It has more off-highway capability than most buyers of proper 4x4 vehicles demand but is otherwise little different from a family car. It has twin-range transmission, with a low set of ratios for off-roading or towing and easily copes with a couple of boxed hunters.

Broadening the appeal of the Subaru are an automatic, with a clever torque-converter lock-up in all three ratios, and an all-wheel drive hatchback without the twin-range gearbox selling at under £5,500.

Now competing with the Subaru is Toyota's Tercel Estate, similar in concept but having a single-range transmission with six-speed gearbox, the lowest ratio of which only can be used in four-wheel drive. Renault showed a similar derivative of the Renault 18 brake at Geneva, with a normal five-speed gearbox only but a choice of petrol or diesel power.

Other most attractive recreational-type four-wheel drives at Geneva included a Mitsubishi minibus with forward control, five-speed, twin-range transmission, and an interior that coverted into a camping car. It is not yet available in Britain—nor is the Renault 18—but could prove an attractive proposition.

The Subaru and similar vehicles do not have or need a third differential because they go into four-wheel drive only when lack of road grip makes it desirable. They are quite cheap; the only difference between them and the front-drive cars on which they are based is that they have a power take-off on the gearbox, another set of final drive gears, and strengthened suspension. Yet they have as much off-road capability as the majority of users ever require. Another vehicle of this type in the pipeline is the Fiat Panda 4x4.

The advantages of four-wheel drive in a road car, first advocated by the late Harry Ferguson, have been convincingly demonstrated in recent years by Audi. Their Quattro, introduced a little over three years ago, has become renowned as the supercar with such gentle good manners that any driver of average skill can use most of its performance safely almost regardless of road conditions.

Stuart Marshall

More makers developing 4 wd cars

WHEN SNOW struck some of Britain's motorways last winter, the edict went out that only four-wheel-drive vehicles would be allowed on them.

Even a few years ago, that would have meant only hardy souls in Land Rovers and even fewer, more affluent people, in Range Rovers.

Last winter, apart from other "utility" 4 wds which have since entered the UK market, there could also have been: Audi's sports car, the Quattro; Japanese Subaru estate cars and saloons, and a handful of large Vauxhall or Opel saloons converted to 4wd by FF Developments of Coventry—carrying on the commitment to four-wheel drive started by its founder, Harry Ferguson, 30 years ago and now participating in several manufacturers' development efforts.

Next winter, and in the following years, the number of "ordinary" cars equipped with 4wd will proliferate. Soon, those in the car industry not developing such vehicles will be out of step.

The list of companies developing 4 wd is already a long one, it includes Alfa Romeo, Audi, BMW, Fiat, Lancia, Mercedes, Opel, Peugeot, Porsche, Renault, Toyo Kogyo, Toyota and Volkswagen.

Ford is in there, too; Ford of Germany's chairman, Mr Daniel Goeudevert, having acknowledged last year that a 4 wd Sierra was being developed. Little has been said about it since then. But Ford's out-of-the-blue decision earlier this year to scrap long-nurtured plans to return to international rallying (which it dominated during the 1970s) with a rear-drive Escort almost certainly will prove to be connected with 4 wd developments.

Nevertheless, the 4 wd projects are being advanced with varying degrees of enthusiasm. Volkswagen's sister company Audi will have four-wheel-drive variants of its entire car range by 1985.

By contrast, BMW has been more cautious. Dr Karlheinz Radermacher, its research chief until a few months ago, had increasingly stressed his perceived need for conservatism in BMW's technology — relating innovation much more to commercial, environmental, fuel and running cost considerations than "technology for technology sake."

Confined

Many close to BMW suggest that this conservatism led to Dr Radermacher's parting from the Munich concern. But the result is that BMW will not have a 4 wd car until 1986 at the earliest. Even then, the system is seen as being confined to an option of a new range of large 7- and 6-series cars.

Further down the market, it is expected that Alfa-Romeos will eventually have a 4wd system developed with Pininfarina. And further down yet, the first Fiat Panda cars equipped with a 4wd system developed by Steyr-Daimler-Puch of Austria (which is also providing 4wd systems for VW's Transporter minibus) have already gone on sale. These are being built at the rate of 5,000 a year.

In March, Toyota joined the ranks of the 4wd car brigade in the UK with its Tercel estate, while on the Continent Renault has launched a 4wd R18 estate, and has a 4wd Fuego coupe on the stocks. Lancia showed a 4wd version of its Delta hatchback last year, also expected to go on sale soon.

Mercedes, though sharing some of BMW's scepticism about the true extent of the advantages of four-wheel drive over conventional lay-outs, is nevertheless expected to offer it as an option on the replacement for the current 200 series cars. Porsche is expected to give a further new lease of life to its rear-engined 911 models—though not to the newer 944 and 928 models.

Peugeot's visible efforts in 4wd so far are confined to a rally version of its new 205 small car, with which it intends to tackle the world rally championship. But it will certainly want to build on any success with future production models, not necessarily the 205, while BL's not-officially-acknowledged development of a 4wd Metro for motorsport may be the progenitor of a 4wd option for cars still at the drawing board stage.

The principal catalyst for all this activity was to be found at Ingolstadt, West Germany, more than five years ago.

Audi executives, concerned at their marque's image as an "old men's car," raided the parts bins of the VW Iltis military cross-country vehicle, putting the 4wd parts beneath a coupe bodyshell on the 80 saloon platform. It was coupled to the 2.1-litre turbo-charged engine and the resulting Quattro set the rally world on its ear, in most circumstances leaving everything else for dead.

And by using off-the-shelf parts, Audi was able to offer the 140 mph roadgoing version initially at only about 15 per cent more than its top saloon.

More significant than its competition impact was its being hailed by the motoring Press as setting new roadholding standards in the wet, on ice and snow—something which owners of less extrovert Subaru vehicles had known all along.

The majority of its customers, says Subaru, rarely use their vehicles' cross-country abilities; vets like them for coping with farm tracks and other rough going, but the typical Subaru buyer is more likely to be middle-aged or elderly, living in town or country, who likes the extra security offered in adverse conditions and the fact that there should be few road conditions in which the vehicle could not be used.

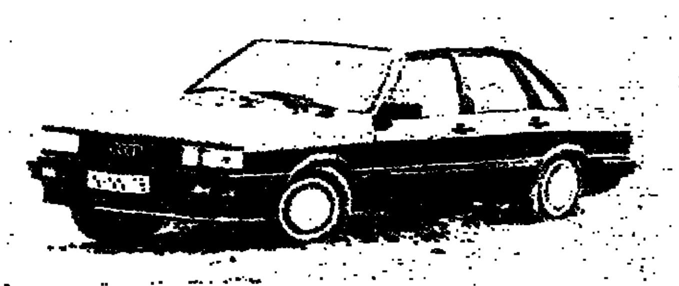
The high-performance market represents an extension of these basic abilities, in that a great deal of the available power can be transmitted to the road without wheelspin. Yet a 4wd does not suffer from the tendency of a rear-drive car to slide sideways at the rear under acceleration through a corner, or that of a front-wheel-drive car to "plough" straight ahead.

In spite of such undeniable advantages, some manufacturers are sceptical suggesting, for example, that much of Europe is too flat and the climate in parts too mild for the system to provide any major benefits. Others believe such scepticism about the potential market to be ill-founded, and suggest that while two-wheel drive systems are unlikely to be rendered obsolete, the industry overall will have to provide 4 wd at least as an option as awareness of its merits spreads.

What has been demonstrated already is that high cost cannot be used as an argument against its widespread introduction, even if most of the examples so far are Japanese. Subaru's estate cars, saloons and hatchbacks are priced in the UK from £4,700 upwards, while the well-appointed Tercel retails at £5,892.

The latest European contender, Audi's up-market 80 Quattro saloon, is just going on sale in the UK at about £10,500—about 1,500 more than the dearest conventional version of the 80.

John Griffiths



The Audi 80 Quattro offers 120 mph performance from its fuel-injected 2.8 litre engine

Big trucks in demand

ONE OF the least charted areas of the four-wheel, or rather all-wheel, drive market is that for heavier trucks of 3.5 tonnes and upwards. Manufacturers are unable to quantify it precisely because so many of the applications are military and some of the major recipients of such trucks—countries of the Middle East and Africa—provide few or no statistics on their import and use.

The market for such vehicles is volatile, but when orders do arrive they tend to be in large batches. Thus in March, General Motors' UK trucks subsidiary, Bedford, announced a £6m order for 200 TM four-wheel-drive trucks from the UK Ministry of Defence, designated by the MoD as eight-tonne medium mobility logistic support vehicles.

The order was announced as deliveries got under way of a further 500 M-type 4wd trucks, with four-tonne payloads, also for the MoD and with a similar contract value of £6m. The TM order brought to 2,000 the number supplied to UK forces alone since the model's launch in 1980, while since 1970 more than 30,000 of the lighter M-type have found their way into military service with forces around the world.

The end use for such vehicles can vary widely: the 1½-millionth truck to come off Bedford's Dunstable line last year also happened to be a TM 4wd—part of a batch of 60 destined to go into service as civilian water tankers in Abu Dhabi.

A four-wheel drive truck in service: members of the 1983 Joint Services Nepal Expedition with a Bedford TM 4-4 support vehicle during training in Scotland

Like other truck makers competing for Third World business, Bedford has found even this sector—in which it is one of the few specialists with "in-house" 4wd transmission systems — tough going since the start of recession.

Shortage

The main reason is the critical shortage of foreign exchange now being experienced by many developing countries, and in particular the sharply curtailed spending programmes of oil-producing countries as a result of weakened crude prices. It is also a business quite heavily dependent on overseas aid programmes and here, too, fund shortages have dampened demand.

Nevertheless, Leyland Vehicles, for example, sees the sector as having considerable potential—and is now in a position to tackle it. Hitherto, the trucks arm of the UK state-owned group has virtually ignored this area of the market; but with the arrival of its new T45 truck range since 1980, in particular the bonneted export variants, Landmaster and Landtrain, it says that all-wheel-drive heavy trucks "are moving away from being a fringe activity."

Recently, Leyland secured an order for 80 all-wheel-drive Landmasters from the Ghana Cocoa Corporation. The Zimbabwe Army, among others, is also undertaking trials of the same truck.

The vehicles do not come in all-wheel-drive form from Leyland itself, however.

Instead, they are providing lucrative business for a small company based in the Devon market town of Newton Abbot. NAM Special Vehicles began life converting Ford light trucks and vans to four-wheel-drive, and up until last year employed a mere 23 people. Since then, however, it has acquired the former GKN Transmissions plant on the town's outskirts, more than tripled employment and is converting trucks of all types and of up to 24 tonnes at the rate of about 800 a year.

Except in cases such as Bedford, for whom the 4wd military truck has been an integral part of its range almost since the company was founded 51 years ago, it makes sense for truck makers to use an outside converter: the volumes involved still do not justify the substantial development and tooling costs for in-house transmissions (even then, the 30,000 M-types which Bedford have sold altogether represents only 2 per cent of total output).

For this reason, a recent batch of Ford Cargo trucks destined for off-road use in Pakistan began their journey from the truck plant at Langley, Berks, with their own detour to Devon . . .

John Griffiths

THE ARTS

Our Day Out/Young Vic

Martin Hoyle

I spent the first half of Willy Russell's schoolchildren's outing in mounting exasperation. The one figure who seemed comprehensible and admirable was treated with contemptuous hostility by cast and audience alike. He tried to stop his charges swearing, smoking, making rude gestures and annoying the public. He was obviously the villain.

In the interval I was assured that I was taking it much too seriously, that it was just a bit of fun. I determined to chuckle at the young tearaways in Act II, slapping down the horror that such a group of pilfering embryo football yobs would arouse if haplessly encountered at a zoo, a stately pile or the seaside. Perversely, however, the author went all serious on me: an impassioned teacher reveals that these hopeless dead-enders are entitled to their fun before the long littleness of deliberate deprivation. "Nobody *wants* them educated," she declares: they might complain at what they see around them. Fair enough; but the logic that accordingly allows them to career heedlessly into presumably unemployable adolescence seems shaky.

This musical version of a TV play has been translated from scouse to cockney, a complicated genesis that may explain why, instead of simple, it too often sounds simplistic. Sixteen lively children and four teachers — middle-aged liberal and illiberal, young couple — visit a zoo, Bodiam Castle and the Sussex shore. Bob Eaton's production keeps things moving with such set-pieces as the robbing of a sweet-counter (half-hearted references to unjust profit made from children are somehow less acceptable than open amorality would be) and the high-spirited climax of a seaside fair.

Less successful is the sentimentality embodied by a waif who sings to the seagulls and threatens to throw herself from the cliffs rather than return to an unhappy home. Mr Russell's soft centre makes Shirley Temple sound like Bette Midler.

Excellent performances from all concerned. Perhaps the children's unpretentiousness works against the piece's self-consciousness. Pleasant music stays — as in "I'm in love with Sir," sung by a schoolgirl with a crush — on the right side of the thin line between the touching and the embarrassing. Not all the evening is so surefooted.

Christopher Pearce

Christina Nagy and Darragh Murray in the musical version of Willy Russell's TV play

Schumann/Covent Garden

Clement Crisp

Like *Carnaval*, perhaps more intensely so, the *Davidsbündlertänze* reflect the most intimate feelings of Schumann about his alter egos, Florestan and Eusebius. For Balanchine, whose thrilling realisation of this score was the centrepiece of Tuesday's Royal Gala in the presence of the Duke and Duchess of Gloucester, the music was also his guide to a contemplation of the nature of Schumann's relationship with his wife, Clara.

The ballet can thus be seen as being "about" the dependance of the artist upon the wife-muse—and it is singularly explicit on this subject—but it is also, because of Balanchine's blessed musical intelligence, a response to the music's formal structure as well as its emotional vagaries.

The setting by Reuben Ter-Arutunian is a fantastic landscape inspired by Caspar David Friedrich, dominated by a stretch of water, and inhabited by four couples, with the pianist (the eloquent Gordon Boelzner) also on stage. We may understand three of the couples—Stephanie Saland and Ib Andersen; Jacques d'Ambiose and Suzanne Farrell; Heather Watts and Peter Martins—as abstractions of the Schumann/Clara relationship. But the chief pair, Karin von Aroldingen and Adam Lüders, are directly and very dramatically the actuality of the composer and his wife.

The progress of the ballet, its emotional momentum, comes from the way in which Balanchine contrasts and cross-cuts between the tragic reality of Schumann's feelings, his fate (we see the anguish of his temperament, and know his death), and the poetic symbolism which the music suggests about the nature of a couple dancing together, with the Florestan/Eusebius dichotomy as the points of passion and calm between which the dance invention swings.

We are introduced to the couples one by one (the women in long dresses, heeled shoes; the men in truly horrid monkey-jackets, trousers). As in *Liebesliederwalzer*, the dance takes wing when the women change their slippers for ballet shoes, with contrasting duets and occasional solos (the most extraordinary a capricious variation for Suzanne Farrell), but the choreography returns to Miss von Aroldingen and Mr Lüders as a constant of dramatic reference.

Both artists are superb. Mr Lüders' fly-away, spidery style is used to suggest Schumann's tenuous hold on sanity, and his final descent into oblivion is most pathetic. Miss von Aroldingen, with that beautiful seriousness which marks her greatest roles, her physical power shown as compassionate understanding, is heart-stoppingly fine, especially in the last farewell to Schumann, which she plays on a delicate, echoing pianissimo.

The other members of the cast are no less grand: the contrasts between their physique and temperament—how rich, how varied the gifts of the New York City Ballet's principals—are part of the subtle drama that Balanchine drew from Schumann's score and Schumann's life, never exceeding the music's boundaries or its stylistic limits. There results a rare and haunting work of art.

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A note must be added about the performance of *Divertimento No. 15* which opened the programme, if only to say that Kyra Nichols and Joseph Duell, Stacy Caddell, Lisa Hess, Stephanie Saland, Lourdes Lopez, Peter Frama and David Otto, were sublimely right in a sublime work. How fortunate they are to dance a masterpiece; how fortunate we are to see them dance it.

Record review

Andrew Clements

The new and the refined

Stockhausen: Donnerstag aus "Licht." Soloists, West German Radio Choir, Hilversum Radio Choir, Ensemble Intercontemporain, Hilversum Radio Orchestra/Karlheinz Stockhausen, Peter Eötvös. Deutsche Grammophon 2740 272 (four records).

Boulez: Pli selon pli. Phyllis Bryn-Julson, BBC Symphony Orchestra/Pierre Boulez. Erato NUM 75050 (two records).

Carter: Piano Sonata, Night Fantasies. Charles Rosen. Etcetera ETC 1008.

Perhaps I was exposed to *Stimmung* at too impressionable an age, but I still cannot approach an unfamiliar Stockhausen work without a sense of excitement. Such blind faith has been sorely tried in recent years; the early 1970s produced a sequence of compositions that offered only banalities and naive egocentricity. Memories of concert performances of *Harlequin* and *Musik im Bauch* are difficult to forgive. Some reports of *Donnerstag*, the first instalment of Stockhausen's projected week-long opera cycle *Licht* to reach definitive form (though part of "Tuesday's" offering, *Der Jahreslauf*, is already available on disc) suggested the same self-indulgent mixture on a more extravagant scale.

The evidence of this recording proves otherwise. In *Donnerstag* is the culmination of much of Stockhausen's work of the past 20 years. While it does not excuse some of the trivia that preceded it, at least those efforts now have an understandable context; whether or not one approves of the composer's self-absorption, his lapse into an internally generated mythology, they have allowed him to construct a theatre piece that is entirely personal, on a level of musical imagination that few other living composers could hope to match.

The evolution of *Donnerstag* up to its first complete staged performances at La Scala in the spring of 1981 has been recorded here by Dominic Gill: the second act, entirely instrumental, appeared at Donaueschingen in 1978; the first act at the 1979 Jerusalem Testimonium; part of the third at the Amsterdam Concertgebouw in 1980. Brought together for the first time at La Scala, Stockhausen then provided the opera with a "Greeting" and a "Farewell," which summoned the audience to the sacred music drama and dismissed it afterwards. This pair of instrumental pieces makes up the eighth side of the four-record set.

Stockhausen has described *Licht* as a "religious work," and the hero of *Donnerstag* is the archangel Michael, with whom Stockhausen identifies himself closely. The first act describes his humble beginnings, the second is "Michael's Journey round the World," the third "Michael's Return Home." Plot is minimal; scenes are built up from the simplest dramatic situations. Michael is represented simultaneously by a tenor (three different singers on this set, reflecting the different recording locations of each act), a trumpeter and a dancer.

The autobiographical element is emphasised by the members of Stockhausen's family who take part in the performance: son Markus Stockhausen is the brilliant trumpeter, daughter Marielle is the piano accompanist for Michael's examination for "admission to the high school of Music;" a second son Simon is one of the two soprano saxophonists in the first part of Act III.

What prevents all this from collapsing into inflated nonsense is the quality of the music: Stockhausen brings together all his skills. The first act is the least tractable, the direct descendant of the electronic work *Sirius* of the mid 1970s. There is the same halo of prerecorded sounds, a dialogue for singers paralleled by instrumental duets, sudden fixations upon individual syllables and effects. Cumulatively it is hypnotic, but not the best way to get into *Donnerstag*, though the bravura flourishes of the examination scene show Stockhausen's virtuoso writing at its most extrovert.

More approachable is "Michael's Journey," effectively a concert piece for trumpet and orchestra, though in staged performance the musicians are dressed as penguins and sit around the south pole of a giant globe. It contains music brilliant and colourful, full of unexpected interludes, some of them comic; the timbres are bright, primary tones, given added lustre by the immediacy of the recording. The hallmarks of recent Stockhausen instrumental music are there too: a fondness for modality and for constructing paragraphs in a halting, stop-go way punctuated by irregular pauses.

‘Boulez continues to revise and refine; Stockhausen presses forward regardless’

The precedent for the choral effects of the final act seems to me to be the last "region" of the electronic *Hymnen*; its effects are equally grandiose, though Stockhausen allows the opera to end on a more personal, transfiguring note, fading into nothingness. Stockhausen gave notice of his dramatic flair as long ago as 1962 in the magnificent *Momente*; this seems to me to be the only work since to equal that in range and large-scale design.

It's telling that a new Stockhausen work should appear on record at the same time as Boulez should be re-recording an earlier work. Boulez continues to revise and refine; Stockhausen presses forward regardless. *Pli selon pli* was recorded in the late 1960s by CBS on a single disc, also with the BBC Symphony but a different soprano soloist. While one might have preferred that some of its composer's handful of more recent scores could have been released instead (most notably *Eclat/Multiples* and *Rituel*) there is no doubt that the Erato version represents a considerable improvement.

The added refinement of digital sound is of enormous help in disentangling the lines of the first and last movements especially, while the percussion reverberations throughout the three Mallarmé improvisations now colour the vocal lines as they should. Spread across three sides also, the dynamic range can be more generous. More surprisingly, the performance is a good deal better too. Boulez has developed a more ample conducting style in the intervening years and there is extra warmth in his new approach, a heightened sense of drama. Phyllis Bryn-Julson is a marvellously relaxed, limpid soloist, handling the treacherous lines with sovereign control. The BBC orchestra too is more confident and forthcoming; a single riveting detail—the horn solo towards the end of the finale—serves to demonstrate that.

Record companies have worked hard to keep us up to date with Elliott Carter's output. Only the recent *In Sleep, In Thunder* and brand new *Triple Duo* are presently unavailable; even the masterly *Syringa* can now be obtained in Britain as an import. *Night Fantasies* (1980) is especially welcome, particularly in such a superb account as Charles Rosen's, and when coupled with the piano sonata of 1946.

It is arguably the most rebarbative of Carter's recent works, offering fewer points of entry than its contemporaries. The composer's intention of writing something to recapture the "poetic moodiness" of *Schumann has produced* a work of lightning-fast changes of tempo and texture that looks forward in its seamlessness to the virtuoso brilliance of the *Triple Duo*. The piano sonata makes for fascinating comparisons, still betraying its Stravinskian roots, but overlaying them with a rhythmic and harmonic ingenuity that must have seemed quite bewildering after years of populist neoclassicism. Charles Rosen plays it majestically; this is a release to rank alongside his equally invaluable recordings of Boulez more than a decade ago.

Film and video awards given

The Arts Council has given film awards of £500 each to Nicholas Gordon-Smith, Michael Maziere, Peter Milner and Valerie Penn. A joint award of £500 goes to Roberta Graham and John Stewart. Christine Felce receives a £1,000 film completion award and Peter Gidal receives £1,500 to complete his *Avante Garde Film*. Jeremy Walsh and Susan Hiller have been given video bursaries of £1,000 and £866 respectively.

Watford director on BBC course

Michael Attenborough, artistic director of the Palace Theatre, Watford, has been selected by the BBC to attend the BBC Television Drama Directors Course, which will take place this autumn. This will mean that he will not be directing any Watford productions in the coming season. He will be absent from the theatre until October 21.

The course, which is held every three or four years, is run by the BBC specifically for theatre directors interested in widening their knowledge and experience to include the world of television.

Doña Rosita/Edinburgh Festival

B. A. Young

"The whole action is confined to a large and comfortable parlour," says the programme —the complete festival programme, that is, for the Royal Lyceum offers neither programme nor simultaneous translation. When the white gauze curtain is drawn, this parlour, designed by Max Bignens, is presented to us as one of the most beautiful sets I ever saw. *The black wall is also pale* gauze, but through the several doors you see the bright flowers cultivated by the Uncle. You also see them faintly through the gauze.

As the stage fills up, the costumes (Max Bignens also designed these) complete a picture, or a series of pictures, that fulfil the promise of the set. The plot is simple: Rosita (the only character with a name of her own) is preparing for marriage with the Nephew (Juan Miralles). Rosita is Nuria Espert, looking young and happy in a rose-pink dress, proudly displaying her enormous trousseau to everyone, while her guardian Uncle (Carlos Lucena) thinks only of his prize rose, the Rosa Mutabile, that blooms a glowing red and fades through pink to white and death.

The second act takes place 15 years later, but Rosita is still patiently waiting for a word from the Nephew, all this time in South America on business. He sends here a message that offers only a marriage by proxy. And in Act III, another 10 years on, we learn that he has married someone else. The Rosa Mutabile has died, the Uncle's house must be sold. All the beauties of the parlour are drained away. There are no roses, the only furniture left is a pile of chairs, awaiting the workmen, who will take them away.

The production, directed by Jorge Lavelli, is full of incidental beauties — the graceful attitude of Rosita's and the Nephew's parting embrace in Act I, the witty use of the Economist's walking-stick, the contrast between the three black-clad Spinsters, and the two young Misses Ayola, the "Language of Flowers" dance and music. The barren stage in Act III, a token of Lorca's obsession with *The Cherry Orchard* is made as beautiful by its emptiness as the charms of the earlier scene.

Nuria Espert, growing older act by act, yet never losing her youthful dignity, gives a performance that blossoms out even above the lovely work of the rest of the company in their multifarious characters. It is a moment for tears when, weeping over her unworn wedding-dress, she leaves the deserted house at the end. The roses all are gone, only the old Aunt (Carmen Bernardos) and the faithful housekeeper (Julia Martinez) remain to support her. A distant piano plays an echo of the "Language of Flowers" song.

Lutoslawski & Chopin/Albert Hall

David Murray

Polish music predominated at Tuesday's Prom with the BBC Symphony, though Richard Hickox concluded the concert with Stravinsky's 1911 "Firebird" Suite: sensitive woodwinds, and careful attention to the older Russian-romantic strains in the score. Before that Shura Cherkassky played the "second" Chopin piano concerto, the one in F minor, stoutly accompanied by Hickox —a task that demanded alertness, for Cherkassky allowed himself a generous, perfectly proper rubato. Rhetorical inflation had nothing to do with it, for the pianist observed the period scale of the work, composed before Chopin was 20, quite rigorously. Even the sound of the instrument seemed fined-down, lighter, the modern bass resonance discreetly suppressed.

Cherkassky being the pianist he is, all his music sparkled anyway. The passage-work displayed impeccably good manners, and a glint of mischief. There were moments of charming sentiment (even, for example, in the broken chord that ends the larghetto). I thought he slightly underplayed the dotted rhythm of the first movement, but that was probably a passing Cherkassky whim.

Witold Lutoslawski conducted his own *Livre pour orchestre* and his more recent Cello Concerto in the first half of the concert. By now the BBC strings are so much at home with the ingenious devices of the *Livre* that they scarcely sound experimental (there were momentary roughnesses in the brass). The pungent expressive content of the piece emerged quite directly and in the climactic last movement with urgent force.

Lutoslawski now reduces the little freehand interludes of the *Livre* to almost nothing (programme-notes usually dwell upon them, whereas the point is that they should go virtually *unremarked*). *There are more* substantial jokes in the Cello Concerto, which the soloist Roman Jablonski delivered with flair and command. The impassioned virtuoso writing, which takes flight later in the work, repeatedly changes dramatic direction in a flash; I particularly admired Jablonski's unwinking concentration, never thrown at any of those turns. He hasn't the expansive personality of Rostropovich, the dedicatee of the Concerto, but if anything the oblique progress of the music seemed the more impressive when traced with Jablonski's cool determination.

Locarno Film Festival

Ronald Holloway

The 38th Locarno festival, and second under new director David Greiff, relied on an ancient formula to guarantee overflow crowds; the only films presented under the stars nightly on the Piazza Grande were out-of-competition selections, mostly from the hit-list of the Cannes festival last spring. More than 3,000 packed the piazza for Carlos Saura's *Carmen*, Shohei Imamura's *The Ballad of Narayama*, Nagisa Oshima's *Merry Christmas, Mister Lawrence*—and the world premiere of François Truffaut's *Vivement dimanche!* (also out-of-competition).

The competition programme was presented daily in a converted school auditorium up the road apiece on the outskirts of town, at the Morettina 1 and 2, and here the audience was mostly comprised of working critics, dedicated film buffs, and committed jury members.

Truffaut's *Vivement dimanche!* a return to the director's earlier *Ne tirez pas sur le pianiste*, is an *hommage* to the Hollywood-studio B movie. Starring Fanny Ardant and Jean-Louis Trintignant, it was intentionally shot at a rapid pace in stunning black-and-white by Nestor Almedros.

Locarno's Grand Prix went to Pal Erdöss' *The Princess* (Hungary), a documentary-drama on love and abortion among teen-aged girls from the provinces now on their own in Budapest. Daniel Wachsman's *Hamsin* (Israel), set in a farming community on the Galilean border, where Jews and Arabs rub shoulders as a matter of course, took second place.

The sensation was the 20-film retrospective in honour of Japan's Mikio Naruse. There is much to be said about the singular quality of English-subtitled prints spanning a director's career from 1931 to 1964, but the riches of this retro went far beyond that: seldom does a film historian have the opportunity to view a master's work in selective chronological order over an 8-day stretch. Mikio Naruse (1905-1969) made 69 films, the best produced in the fifties (after his promising career in the thirties was interrupted by the Second World War).

Naruse was a woman's director with a tragedian's view of the world. Like Yosujiro Ozu, he had a feeling for the poor and underprivileged, and preferred family conversation to a developed plot. Perhaps his greatest claim to fame is found in the seamless montage of his films: things "just happen" without the artful dodge of a beginning or end.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

August 26-Sept 1

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24th. Louvre, Pavillon de Flore (260 3926).

Magritte and the Advertisers. An exhibition which could also be called "a la manière de..." because – apart from some of Magritte's own creations – so many of the posters show how advertising designers adopted the Belgian surrealist's symbolic yet simple pictorial language. Musée de l'Affiche et de la Publicité, 18 rue du Paradis. 12 am to 6 pm, closed Tue, ends Sept 11.

Exotic Flora and Fauna in art from the 17th century to the first half of the 20th century. Louvre des Antiquaires, 2 Place Palais Royal (297 2700), 11 am till 7 pm. Ends Sept 25.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Frankfurt, Kunstverein, 44 Markt: The first big exhibition of Markus Rätz with roughly 100 installations and drawings by the Swiss painters and object artist. Ends Sept 25.

Munich, Haus der Kunst: The Theo Wormland Legacy is a collection of works by Max Ernst, Magritte, Poliakoff, Antes, Botero, Goller, Rohlfs, Nolde, Jawlensky and other classical modern painters, many of whom were banned by the Nazis. Wormland, an entrepreneur, left most of the pictures he had collected to the Munich Museum, and Hanover's Kunstmuseum received the rest. Ends Sept 11.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: the "Great Arts Exhibition – Munich 1983" has paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 18.

Nuremberg, Germanisches Nationalmuseum, 1 Kornmarkt: A documentation with 600 pictures and sculptures at the occasion of Martin Luther, the great reformer's 500th birthday. Ends Sept 25.

ITALY

Venice, Cantieri Navala all a Giudecca. Works by Burri. Ends Sept 30.

NEW YORK

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America for nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the Britain Salutes New York celebration. Ends Sept. 25th.

WASHINGTON

National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French impressionists and their successors is on view before dispersal to various museums. Ends October 2.

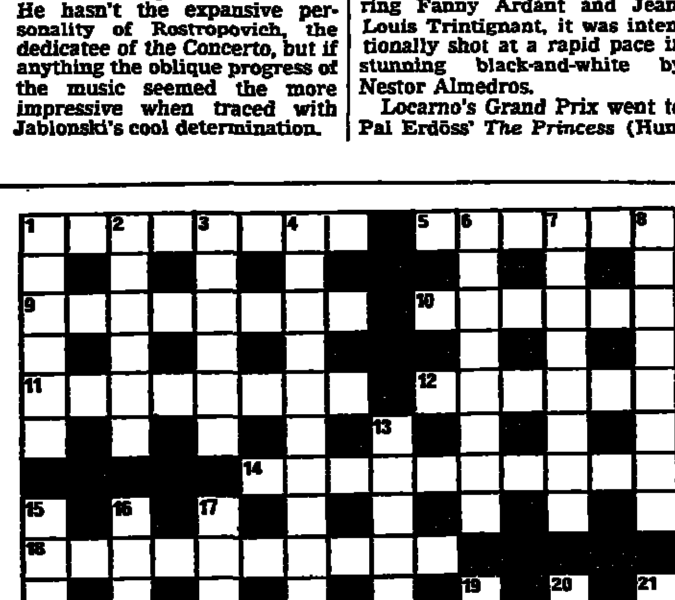
HOLLAND

Stedelijk Museum, Amsterdam: Modern art from the impressionists of today until the end of the month. There is a similar exhibition at the Boymans Museum, Rotterdam, until September 18.

Allerd Pierson Museum, Amsterdam: Artistic fakes, including paintings, sculpture and porcelain, brought together by students, with examples of a number of expert forgeries which made their manufacturers considerable sums of money.

Gemeente Museum, The Hague: The Hague School including masterpieces by the Maris brothers, Israel and Breitner. Ends Oct. 30.

F.T. CROSSWORD PUZZLE No. 5,205



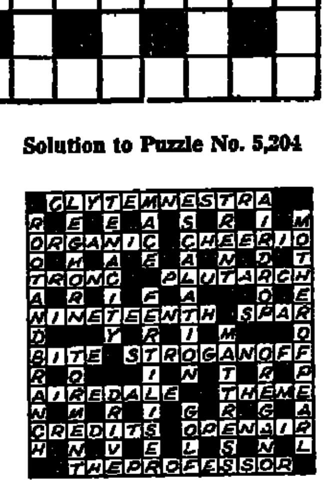
ACROSS

1 Remaining right under (4, 4)
5 Good reason for circular to have prefatory note (6)
9 Not so common street-walker (8)
10 Dye brings colour back after boiling (6)
11 Without concealment, one rider is gratuitously extravagant (8)
12 A salutary tale, without any virtue (6)
14 Conference spells out that field event is back on (10)
18 Still to put a railway together (10)
22 Account is put in the records —it's easily done (6)
23 Chaff gets rotten in time (8)
24 Man gets everything back from animals (6)
25 Air drop? That's a stroke of luck (8)
26 The old version has hollow back, it is cried (6)
27 Principal source of animal food above decks (8)

DOWN

1 Not so much to do with punishment (6)
2 Previous producer (6)
3 Neat or could be elegant (6)
4 Make Mint expose special privileges (10)
6 Bring up majority at the very end (8)
7 Go below in liner due to be broken up (8)
8 Sweetheart embraces king in the dark (8)
13 Mark: Roman with a fever (10)
15 Employ wholly in a productive capacity (8)
16 It's hard amidst noise of disapproval to include everything (5-3)
17 Contains current version of all crime (4-4)
19 I'd bend somehow if ordered (6)
20 Prohibit two articles of fruit (6)
21 Outer covering round the French missile (6)

Solution to Puzzle No. 5,204



FINANCIAL TIMES
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Thursday September 1 1983

MacGregor's agenda

THE CHAIRMANSHIP of the National Coal Board is conventionally regarded as a bed of *nails*. Yet it could be argued that when Mr Ian MacGregor takes up his appointement at the head of Britain's nationalised coal industry today he will enjoy several advantages that have not been uniformly granted to other state industry chairmen.

He has, for a start, a reasonable idea of what is required of him. In March this year the Secretary of State for Energy laid out a set of broad objectives. As well as including a duty to earn a satisfactory real return, after payment of social grants, on the board's assets, these require the NCB to aim only at that share of the market which it can profitably sustain in competition with other fuels. It has been told bluntly, if *inelegantly, not to "plan on any* continuing tranche of sales which will not be profitable" and to bring productive capacity into line with its continuing share of the market. Over the next five years real operating costs per tonne will also have to be reduced significantly in line with government targets.

The extent of the challenge can be clearly seen in the latest annual report. Last year total coal supply of 127m tonnes exceeded total demand by nearly 10m tonnes, an appreciable increase on the previous year's excess of just over 5m tonnes. The outcome was that year-end stocks *showed a dramatic increase* and the historic cost loss for the year, even after allowing for increased operating and social grants of £146m, reached £485m.

Programme

Nor is there any secret about where responsibility for poor operating profits lie. The outgoing chairman, Sir Norman Siddall, has repeatedly emphasised that a small proportion of total output mined from persistently unprofitable pits with no prospect of viability is responsible for the greater part both of surplus output and financial losses. And the recent Monopolies Commission report produced a pungent critique of management on a range of issues, running from poor demand forecasting to inflexible pricing in the domestic market.

In short, Mr MacGregor has been provided with a programme for action. All he has to do, to coin a phrase, is to implement it. Yet he does at least have the comfort of knowing that since the Central Electricity Generating Board accounts for more than 70 per cent of total sales, the demand side of the equation is potentially less wayward than at British Steel. And while Mr Arthur Scargill of the National Union of Mineworkers undoubtedly poses a threat, there is consolation in the way the mineworkers themselves have been showing increasing realism—witness their rejection of strike action in the ballot on wages and closures last October.

This quiescence owes much to an incentive bonus scheme which creates wide discrepancies between areas and pits, so eroding unity among the miners. Yet there could well be a pitfall here for management (and unions) since the operations of the bonus scheme itself contribute to the creation of excessive coal inventories. And any *attempt further to localise wage* bargaining could entail big risks.

Insolvent

The one pressing problem where Mr MacGregor can hope to *achieve* fairly painless gains concerns the NCB's capital structure, which is urgently in need of attention. Having run *through* its reserves last year, the board is now technically insolvent. Moreover, last year's interest charge of £366m bears eloquent testimony to the problems of financing high inventories and a heavy investment programme exclusively with fixed and floating-rate debt.

The temptation for any chairman would be to go for the maximum injection of public dividend capital in any refinancing, since the burden *of debt service is removed*. Yet this conceals the cost of public sector industry to the government. In contrast, a refinancing with index-linked debt would give a clearer indication of the real return on the NCB's huge investment programme.

The chief obstacle to the NCB raising index-linked money in the capital markets is the Treasury's—possibly excessive—fear of giving private investors too generous a deal. But the Treasury might well see a case *for* encouraging the NCB to undertake a rescheduling which put the outstanding debt obligation to the Government on to *an indexed basis*; *this* could then be refinanced by the authorities with index-linked issues of government debt. Mr MacGregor's debt servicing costs, meantime, would be cut —with no protests from Mr Scargill.

Zia's search for stability

PRESIDENT Zia ul-Haq has wisely responded to the violence which has swept Pakistan's Sind province in a cool and measured way. Not only is this in character but it is also *the only realistic option* available to him.

If he used excessive force he would almost certainly provoke a general uprising or, worse, a move against him by his fellow generals who would not wish to turn their guns on the people. If, on the other hand, he gave in to the opposition's demands for an unfettered political process he would not only seal his own fate but might well provoke the very instability he has tried to prevent.

Pakistan has, so far, proved barren soil for democracy. The Bhutto family, for all their charisma, have proved unsatisfactory democrats. The late Prime Minister, Mr Z. A. Bhutto, it could be argued, rendered democracy an even greater disservice by abusing his powers than President Zia, who seized control in a coup and then executed Mr Bhutto.

In any case, it is doubtful whether the army, which is not only the single most powerful group in Pakistan but probably the only cohesive force in the country, would go back to barracks willingly.

Rough ride

The army would be doubly reluctant to relinquish effective power since the advent of a *government dominated* by Mr Bhutto's Pakistan People's Party would almost certainly signal a radical change in *foreign policy*

President Zia, from a Western point of view, has provided a welcome stability to the region. *Under* a PPP-controlled government the increasingly close relationship with the U.S. and its growing pay-off in terms of arms and money would be exchanged for a dogmatic non-alignment involving a closer relationship with the Soviet Union. In all probability this would include an early recognition of the Babrak Karmal regime in Afghanistan and, hence, approval of the Russian invasion which installed him in 1979.

For all his guile, however, President Zia has failed to forge the necessary national consensus to keep the country united. It seems increasingly doubtful whether he can keep to his stated timetable of parliamentary elections and a lifting *of martial law* within 20 months without being given a very rough ride in the interim.

President Zia still has to *tackle two issues, both of which* are linked to the question of Pakistan's continual search for an identity since partition in 1947.

Nationalities

The first is his desire to turn Pakistan into a full-blooded Islamic state. Pakistan was originally created as a state for Muslims. But the zeal with which President Zia has pursued this aim has irritated the country's middle classes.

More important, however, is his failure to resolve what is perhaps the most serious threat to Pakistan's integrity—namely the "*nationalities*" *question*. Much of the present resentment in the Sind stems from the fear of being crushed by *the much bigger province of* Punjab which dominates the army and the bureaucracy, the two most powerful instruments *of state*.

The same resentment is felt in the North West Frontier Province and Baluchistan, where latent secessionism remains a potent force.

It is too early to tell whether President Zia can achieve the necessary compromise. He is certainly not "finished," as the opposition suggests. On the other hand he is looking less *secure than at any time since* he seized power.

The predicament that Zia faces is how to reconcile the urgent need for stability with the growing demands for pluralism. In the past, pluralism in Pakistan, has been virtually synonymous with instability, while stability has been achieved only through dictatorship.

BRITISH WAGES

The problems of success

By Philip Bassett and John Lloyd

WORKERS at Vauxhall Motors, buoyed up by the success of the company's Cavalier saloon, last week walked out on strike *immediately* on learning of a pay offer first put at 4 per cent —but which was quickly raised to 5 per cent.

Lightning strikes such as this, particularly over pay, and especially in the private sector, have been virtually unknown since the onset of the recession.

At present, the Vauxhall walkouts are only an isolated example. But pay negotiators on both sides of British industry are bracing themselves for the possibility of a tough winter of wage bargaining because of a new factor in the pay equation: the prospect of economic recovery.

Figures just published by the CBI show that the industrial recovery, though limited, is gathering pace. Output over the whole economy is expected to carry on rising by 1.8 per cent; *company profits will continue* to rise, to 6.5 per cent by next year; and inflation, now 3.7 per cent, will rise to 6 per cent by the end of the year.

The independent Incomes Data Research group notes that: "'Managing success' has now become the major worry for a number of companies and industries where efficiency has improved dramatically since the onset of the recession in 1979-1980."

The examples are already there, most notably at BL. After pushing through far-reaching productivity improvements in its factories, the company ran into a bitter dispute over the ending of washing-up time at Cowley—significantly, *after* some labour recruitment *and the successful launch of the* new Maestro.

Other examples of companies being faced with problems after new investment or an upturn *in* orders include Aveling-Barford in Grantham, GEC-Hitachi, Bonar Long in Dundee, and British Shipbuilders' Cammell Laird yard in Birkenhead.

In previous recoveries earnings have risen much faster than productivity: the wages boom of Mrs Thatcher's first year in office is only the most recent example. Accordingly, employers recognise the potentially crucial importance of the coming wage bargaining season *—though they are confident* that continued falling settlements can stil be obtained, provided managements stand firm.

There are some signs already, though, that the wage round may sorely test that confidence:

- In spite of the expected announcement of a public service cash limit pay factor of 3 *per cent*, the police have been awarded an embarassingly high rise of 8.4 per cent from today. Firemen's pay rises, linked to rises *in average earnings*, will also be higher than any pay limit.
- The second stages of some previously-agreed long-term pay deals are now coming through, and will help shape the settlement pattern: 7 per cent for Scottish and Newcastle brewery workers this month; 5 per cent for BL workers from November; 5 per cent for Veedor Root workers and 6 per cent for Timex workers in December; *and 4.5 per cent for National* Health Service workers from next April.
- Some early settlements have already been reached: 6 per cent for Smiths Industries in Cheltenham; the same for Ulster construction workers; and a 6 per cent increase for 120,000 low-paid catering workers, in spite of strong and direct Government pressure against it.
- Early indications of key claims are emerging. The Ford claim, always a pacesetter, is likely to follow the crucial engineering industry claim in its strong emphasis on hours, *coupled with a call for an as*-yet-unspecified flat-rate pay increase; the Transport and General Workers' Union has formulated a £6 claim for lorry drivers, and some haulage companies are already concluding deals higher than this at £7.

Behind these immediate indications is a range of pressures building up which have been identified by both sides of industry as likely to be instrumental in forthcoming negotiations.

Inflation is the first of these. Pay settlement levels have been running ahead of inflation—many current estimates put *them on average 2 per cent* clear. Employers believe that the upturn in inflation may well lead to unions pressing for higher settlements to maintain living standards, and to catch up after recent sacrifices.

Managements are likely to argue, though, that the rise is relatively small, and inflation still very low. Since settlements have stayed ahead of inflation, the gap is merely narrowing. Further, they are likely to show that those in work have fared *well since real take-home pay* has either risen, or at least stayed stable. Further, the management of pay increases now will have a direct effect on inflation. The real test of whether settlements will maintain their current relationship with inflation will not come until early next year,

Profits are the *second* major issue. Employers are likely to answer that the recovery is *from a very low level, and that* after interest payments and tax, real rates of return are still very low. Further, Britain's *labour costs per unit of output* make it 20 per cent less competitive compared with an average of OECD competitors than it was in the mid-'70s. Pay-related costs account for 80 per cent of all UK industrial costs.

Productivity, the third issue, is closely linked. Employers can hardly deny the dramatic productivity improvement of *the last few years as labour* has been shaken out. Increases in manufacturing productivity have been better than the UK's main competitors, *rising* by 3.5 per cent in 1981, and by more than 5 per cent last year, compared to an average in the 1970s of only about 2 per cent. However, once again managers are likely to argue that this is simply recovering lost ground.

Such arguments, though, may well not deter workers who link their company's improved performance to higher production, particularly if this has been won or imposed as an alternative to going under.

Furthermore — and this is something management can do *little about — bonus payments* from productivity - linked schemes may start to rise rapidly if, as the CBI predicts, the *increase* in output is sustained. While not a widespread problem, it is already becoming apparent. At GEC-Hitachi, bonus payments went up with the launch of a new model, and at GKN Sankey in Telford a return to full production led to a sharp increase in bonus payments — beyond their *expected 1983 levels*.

Then, fourth, there is the question of working time. On September 12, the engineering claim will be submitted. For the first time since the 1979 deal it will include a claim for shorter hours. Employers already believe they have made substantial concessions on hours in the past few years, though such deals slackened markedly last year. They will therefore want to resist any further concessions, particularly the TUC campaign for pace-setting settlements to bring lagging sectors into line.

In *engineering*, a national-level reduction in hours might be avoided this year, but there is a likelihood of piecemeal plant-level cuts, leading to further pressures—on comparability grounds—from other, similar workers.

However the unions will not be able to have it all their own way. Unemployment is still high, but it has stopped rising so quickly, and some commentators believe it is reaching a plateau. The coming round may well test whether it is the size of, or the rate of increase in, unemployment which has held *down wage increases*.

Government pay policy is also a key factor. Clearly, the Government is committed to a policy of holding down settlement levels generally by its own example. The Treasury's 1 per cent cut in central cash limits and the expected announcement of a 3 per cent cash limit on pay rises this year for its own direct civil service employees, are both clear indications of continued determination on pay.

Finally, the recovery looks fragile. The hard lessons of the recession are still fresh in the minds of *those still* in work: strikes continue to decline.

There is still, though, remarkable unanimity — and relative equanimity—about current and future pay levels among *analysts*. The CBI puts the current settlement level at about 6 per cent, within a range of 3 to 8 per cent. IDS puts it at about *the same, within* a range of 4.5 to 7.5 per cent. The National Institute for Economic anr Social Research matches the IDS range and the CBI overall figure. The Department of Employment sees a current underlying increase in earnings—always a point or so higher than settlements — of about 7 per cent.

For the future, the CBI is eschewing a figure, and IDS believes settlements are likely to remain stable. The National *Institute forecasts* an out-turn of 6½ per cent, within a range of 4 to 7½ per cent. Most economists' and stockbrokers' *forecasting put the rise* in earnings at an average of about 7.5 per cent, within a range of 7 to 9 per cent.

Beneath the forecasts lie some lessons from the 1982-83 bargaining season which are likely to have a continuing impact this winter.

The spread of settlements, reported by all sides of industry, proved there was no norm, no going rate. Companies have in the main settled for what they could afford, and the CBI ex*pects this to continue*.

Generally, settlements now—with exceptions such as the water strike—are being reached more quickly, with little industrial trouble. Last year, companies such as GEC and Lucas managed to strike very low deals, but in the main the private sector settled at a higher level than the public sector. The National Institute *forecast for 1983-84, for example*, the Civil Service and local government settling at about 4 per cent, the manufac*turing private sector* at 5.5 per cent and the non-manufacuring private sector at 7.75 per cent.

And last year the unions remained in disarray. The TUC's co-ordination of public sector claims had little real success. At the election the TUC-Labour Party's cloudy and confused National Economic Assessment, which skirted round controlling wages, appeared incomprehensible to union members, and was rejected by many of them.

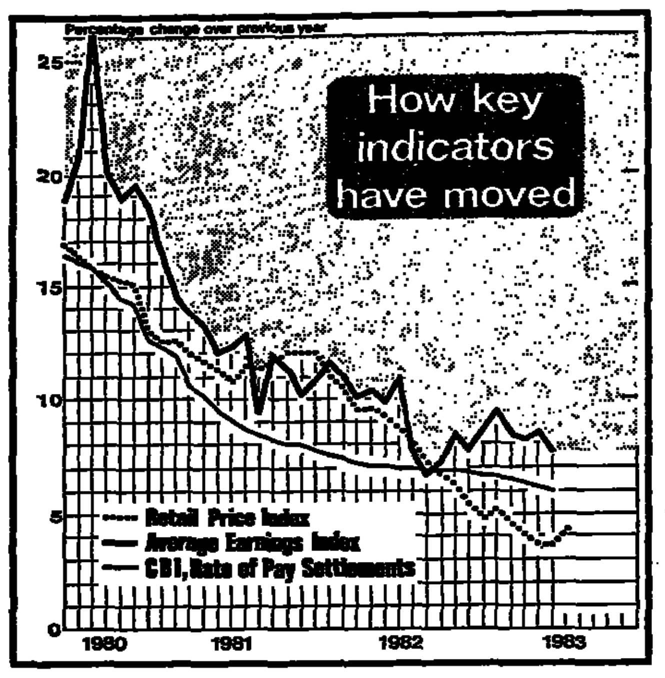
Privatisation, regionalisation and legislation are still combining with unemployment to weaken trade union power. British Gas is only the *latest* in the Government's privatisation firing line; Mr Ian MacGregor's success at British Steel in moving away from national pay rises to local, productivity-based deals is likely to be tried again after he takes over at the *National Coal* Board today, though the miners may be a tougher nut to crack than the demoralised steelworkers. Mr Norman Tebbit's White Paper on union democracy will further push power, and with it bargaining strength, away from union leaders to their more moderate members.

No-strike deals are also likely to become a reality this pay round. Mr Tebbit, in talks expected with the TUC on such deals in the essential services, may well build on the audacity of tying the nurses' no-strike high buy-out, as was the clause not to a prohibitively received wisdom about such deals, but t o rises already promised through the mechanism of the pay review body.

Longer-term wage deals — endorsed by Mrs Thatcher and recommended by the Advisory, Conciliation and Arbitration Service (Acas) — are now firmly part of the pay pattern. They cover some 1.2m workers.

While one of their attractions was supposed to be their ability to take the bargaining heat out of companies' industrial relations, long-term deals have not been without their problems. Indeed, *IDS has noted that many* companies with such deals have suffered perhaps more than their fair share of difficulties: a continuing series of disputes at Hoover, short-time working and now closures at Caterpillar Tractor, lay-offs at International Harvester, and a strike over wet weather money at Aberdeen docks. Perhaps the very security of longer-term deals—next year's rise, and therefore next year's job, is guaranteed—lead to greater management complacency and greater workforce militancy.

Vauxhall workers are now causing further difficulties for the company by planning to black all imports. Managers, determined to void the line of pay moderation, will be hoping that such signs as this will not once again, make it impossible for them to take full advantage of the long-awaited upturn.



Graham Lever

> 'Managing success' has become a worry for companies where efficiency has greatly improved

Men & Matters

Bristol fashion

Yet another feather in the cap for an accountancy-based management consultant.

Bristol City Council has asked Coopers and Lybrand Associates to second two of its senior staff to run Bristol Docks and the council's direct labour organisations for the next few months.

Geoffrey Hines, whose career before he joined Coopers included a spell as head of management services in the *port of Singapore, will take* over as general manager of the docks for six to nine months in October.

David Bennett, who has had extensive industrial experience, will become director of the two labour organisations engaged on housing and *highway maintenance*.

Bristol Council's chief executive Pat McCarthy tells me: "Coopers have worked for us for some time, know the situation well and have the expertise. It seemed a natural arrangement to make to deal with the problems we face."

Coopers' director David Miller, who heads the team which has been advising Bristol on the future of its loss-making docks (a deficit of £11.5m last year including interest charges of £6.5m), explains:

"Stanley Turner, general manager of the docks, retires next month and the head-hunters have so far been unable to find a successor. We were asked to find someone to fill the breach until a permanent manager could be appointed."

Miller's team had also been asked to advise on the re-organisation of the direct labour forces whose operations lost around £500,000 last year.

His proposals for putting the operations in profit were considered at a joint meeting of a council committee and union representatives—and the outcome was a request to the firm to provide a temporary director to oversee the changes.

"Unusual moves," says Miller, "but we are very happy to co-operate in them."

Root crop

It's back to basics for David Acheson, the 44-year-old front-runner of the British fast food industry.

Former managing director of Wimpy International, former chairman of Kentucky Fried Chicken and ex-chairman of "Spud U Like," the British School of Motoring fast food subsidiary, Acheson has now gone into the baked potato business on his own.

"It's the first time I've ever *done anything on my own* account," says Acheson, a bashful ex-accountant. "I have always been a hired hand."

Yesterday he was giving a hand at his Spud U Like outlet in Notting Hill Gate which he opened, under franchise from BSM, *after he sold his 25* per cent interest in the BSM fast food subsidiary. In return for selling his shares he reached *agreement with BSM to open* up to 20 Spud U Like outlets and to buy any part of the business should BSM decide to sell it.

Within three weeks of opening the outlet Acheson's shop has become the top sales unit *in the chain of 31, four of* which are operated by the BSM and the rest by franchisees.

Putting in a 16-hour day, for seven days a week, Acheson has several other sites in the pipeline and reckons that he should—if trade continues to be as good—get his intial investment back within a year.

With more people tightening their belts, Acheson has a healthy understanding of what he is providing. For not only is the baked potato good for you (Egon Ronay rates it) but by all accounts it is also fair *value for money*. "Take the potato and a topping," says Acheson, "which costs you 75p. But then you leave with a pound weight of food."

The Potato Board reckons that the UK is on target to become the biggest potato eating nation in the western industrial world. Consumption currently runs at 235 lb per head a year—so Acheson could be on to a good thing.

War games

The war against Space Invaders is still being vigorously waged in the Far East. Pushed out of Indonesia and the Philippines, harried without mercy in Malaysia, video games were yesterday shut down in Singapore.

Operators of the city's 48 video amusement arcades put up some resistance. They sponsored a public opinion survey which claimed that more than half of the public disagreed with the ban. But appeals to Government departments and the Prime Minister were rejected, and requests for an extension of the end of August deadline were refusd.

The authorities — like those in neighbouring countries—reckoned that the games were a bad influence on children. Now the operators must dispose of an estimated 1,000 machines (mostly out-of-date), and their customers must turn to other games for amusement.

Fruit and nut

A management buy-out at the old-established London firm of Barrow Lane and Ballard can be expected to beef up competition in the small world of edible nuts and dried fruit trading.

Three of the men who put the nuts in your chocolate bar and the dates in your muesli are taking a majority holding in the 115-year-old Southwark company.

Wilfrid Tops and Peter Morgan, both trading directors, and Peter Sawbridge, finance director, will increase their stake in the company to 75 from 22 per cent, while County Bank will end up with an effective 25 per cent share.

The three managers and the bank are putting up £940,000 to buy out the present majority shareholder, an investment holding company. Barrow can develop more effectively if its managers are also its owners, argues Sawbridge.

Fruit and nuts may not form a large part of your diet but Barrow *shifts 20,000* tonnes of peanuts a year and another 4,500 tonnes of dates. With annual turnover of more than *£16m and an asset value*, including its dried fruit subsidiary R. Atcherley, of £1.2m, it is one of the largest in the business.

"There are not many people involved in our markets which is how a company of our size can be a major force," says Sawbridge.

Under the current management, Barrow has expanded its *international operations* and half of its turnover is now achieved overseas, mainly in Europe and North America.

It deals in the raw product which is then processed to end up as peanut butter, or as roasted and bagged nuts sold *by companies such as Golden* Wonder and Smiths. It also supplies nuts, shelled or unshelled, to supermarkets and greengrocers.

Making a name

We shall hear more, I predict, of Mitel Telecom. The company's public relations officer is *one* Arthur J. Puffett.

Observer

ECONOMIC VIEWPOINT

Markets v the conventional folly

By Anthony Harris

The Walrus and the Carpenter were walking on the strand;
They wept like anything to see such quantities of sand.
"If seven maids with seven mops swept it for seven years;
"Do you suppose," the Walrus said "that they could get it clear?"
"I doubt it" said the Carpenter, and shed a bitter tear.

WELL, it isn't seven years yet; but 15 months after the international banking crisis became clearly visible, the mopping-up operation continues; and for all the efforts of the great and the good, nobody has much confidence they will ever get it clear.

Meanwhile, the circular flow of funds has become a circular flow of nonsense, as unpaid interest is written down as a flow of new lending, the banks make up their cash deficiency by attracting new deposits, and the central banks, switching to their monetary control hats, take fright.

As they take fright, the open-market committees *go* into action. While everything short of brute force is done to prevent the banks from reducing their international exposure, the corresponding growth of the liability side of the balance-sheet must be checked; so funding continues apace, interest rates rise still further in real terms, and the debt problem becomes a little further from solution.

In sum, commercial banks, which can hardly be accused of old-maidishness in the past, are now compelled to write business which they themselves regard as imprudent; and the authorities, having thus decreed a system in which the growth of "lending" sets the pace for the growth of liquidity, rather than the other way round, are left struggling with the consequences.

This self-defeating game would in itself be enough to inhibit world recovery considerably, but it is unhappily not the whole story. To lend colour to the claim that it will all come out right on the night, the developed world, through the agency of the International Monetary Fund, insists on what is known as "adjustment." This is supposed, in the orderly mind of bureaucrats, to force debtors to to "put their house in order." In reality, it is mere fiction.

The debtor countries, after all, did not get into trouble by having a highly effective and incorruptible government machine imposing well articulated policies. They are more in the phase of the U.S. in its frontier days, dependent for their growth on the efforts of entrepreneurs who cannot afford to carry too many scruples in their baggage, and with about as much effective enforcement of the Government's will as was to be seen in Texas in the days before statehood. That is how dynamic development has happened throughout history.

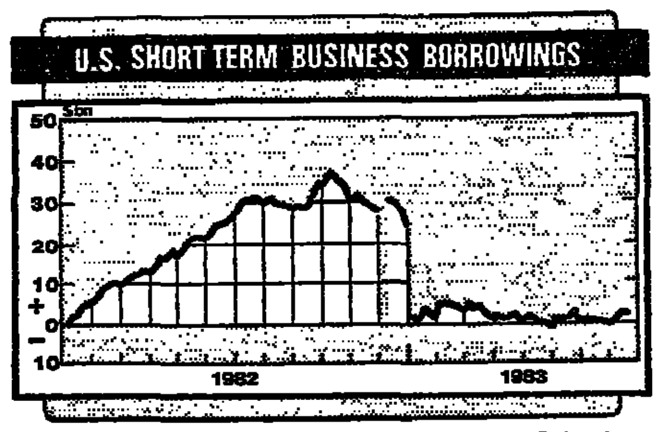
If the beleaguered govern*ment of such a country now* agrees to an IMF package, the results are not always quite what the IMF intended. The capital account is protected by a sharp devaluation and the imposition of tight exchange control. This firm locking of an empty stable (*it is estimated* that more than half the debt of Argentina, for example, was incurred to finance the flight of *private* capital) actually makes the balance of payments worse. Private owners of large assets in the U.S. and Switzerland no longer repatriate their income.

At the same time, exports suddenly disappear, possibly to reappear elsewhere — for example, students of statistics have noted the sudden emergence of Paraguay, which grows no coffee, as a major coffee exporter.

Import controls are imposed, which do indeed keep out imports of certain useful items which are hard to smuggle—the plant needed to bring half-finished investment projects on stream, and the components needed to keep completed plants running effectively.

However, smaller items demanded by consumers seem to have a way of slipping past the eyes of customs officials, whose pay has no doubt been frozen at the suggestion of the IMF. Growth and trade are diverted to the black economy; but this is not enough to prevent a painful drop in the export trade of the major developed manufacturing countries.

All this damage to current growth and long-term investment might be worth suffering in some higher cause; but the cause seems to me as questionable as the methods by which it is served. It is based on the idea that the whole future of world development rests on an ever-growing flow of international bank finance.



Graham Lever

'This hardly suggests that a continued flow of bank credit, commercial or otherwise, is essential to finance recovery.'

This line of thought should be thoroughly familiar to British readers; for 12 years now we have been running a regime which tries to combine monetary control with the unchecked growth of commercial bank lending, which is also regarded as "essential." The result here has been just the same as the results now beginning to appear internationally: a regime of high interest rates, an indefinite tendency to throw good money after bad, and slow growth.

The fact is that the system works only if the authorities are highly tolerant of inflation, as they were when they turned a blind eye to the growth of the Euromarkets after the first oil shock. It does not work when it is trying to do two contradictory jobs at once, credit expansion and monetary restraint.

What is more, the supposedly essential role of the banks in providing long-term finance, whether internally or internationally, is itself a fiction, or rather a projection of recent abnormal experience. During the era of high and uncertain inflation, strained cash flow and compressed profit margins, commercial borrowers found it hard to maintain their operations out of retained earnings, or raise new long-term capital. Since the policies which sustained the inflation also maintained interest rates well below the rate of inflation, bank intermediated credit provided a very comfortable solution.

However, we have now reversed these conditions, with much pain, virtually everywhere. The fall in inflation has far outdistanced the fall in interest rates, profit margins have revived quite sharply, and capital market conditions are *far more favourable. It is at* this stage, according to the Bank of England's own internal game-plan, that corporate finance should return to the markets, thus ceasing to inflate bank liquidity, so cutting the monetary knot at one blow.

In any case, it is all beginning to happen, since the markets, which respond to costs and prices, always react more promptly and more wisely than the authorities. Observe, for example, what has happened to short-term commercial borrowing in the U.S. It peaked 11 months ago, and after an initial fall, has shown virtually no growth at all; within the total, there has actually been a minuscule fall in bank borrowing, and a rise of something less than $2bn in outstanding commercial paper.

This hardly suggests that a continued flow of bank credit, commercial or otherwise, is essential to finance recovery—rather, if anything, that the recovery could only gather pace once commercial borrowers were out of the grip of the banks. They have relied instead primarily on their own much improved cash flow, on the equity market and on the Eurobond market. The domestic bond market seems to have been quite subdued.

Britain is not such a telling example, since our own recovery is so much more subdued; but here again there has been a marked drop in commercial bank borrowing, reflecting a much-improved commercial sector cash flow. There has also been a revival of market finance, but this has not been so visible. Thanks to a combination of the queuing system in the capital markets, the cost of stamp duty, and the excessive commissions charged by the Stock Exchange on dealings in commercial loan stock, the business has been emigrating.

Most of the fun is being seen in the spectacularly revived Eurosterling market—with the result, among other things, *that commercial funding is not* any very obvious help in controlling the UK money supply. This is another example of conventional folly. The authorities and the Stock Exchange Council may believe as much as they like in orderly markets, dual capacity, and "adequate" commissions. Reality has a way of simply by-passing them.

And what, you must be wondering, has all this to do with the international banking crisis? Simply this: that internationally, just as domestically, the reliance on bank finance for long-term investment was an unfortunate abnormality—an abnormality which all those in authority are now seeking to perpetuate. Internationally, as domestically, it would be much healthier if bank finance could revert to what was until recently seen as its normal role—providing working capital and credit for trade customers, leaving long-term investments to the long-term markets.

Though a few problem borrowers may yet prove able to emulate Chrysler Corporation in the U.S. and surprise their creditors with a sudden return to solvency, for a range of them this must mean first an orderly programme to consolidate existing "short-term" debt—which is actually, of course, long-term debt in the thinnest of disguises—or perhaps, realistically, equity. Every leading merchant banker seems to have put his name to some scheme or other designed to achieve this; all of them have so far been turned down flat.

The reasons given for soldier*ing on with rescheduling and* non-stop negotiation are hardly persuasive. One is to maintain "discipline"—which is, as we have seen, likely to prove an illusion. A second is that if a solution is offered to one country, all the others will want one too. But if there is a better alternative to rolled-over bank credit it *should* be generally available.

The true reasons are of course different: a solution of any kind would mean a nasty moment of truth in bank profit and loss statements, and would result in a shrinkage of bank balance sheets. To an outside observer these events might seem desirable; but central bankers are bankers first and last, gamekeepers who are always liable to turn to poaching.

Failing an orderly solution, the wise will expect a disorderly one—especially after a week in which Brazil has been able to bite the proffered hands of the BIS and the Paris Club with impunity, and Venezuela has for the time being shown the IMF the door. It is easy to guess, say, at a vast moratorium, with loans re-written on high unattractive terms, and banks saved only by punitive lender-of-last resort support.

To be sure, the central banks would remain firmly in control of the situation throughout—much tidier than leaving the credit standing of the borrowers to the judgment of free market agents; but this would be not so much a case of gamekeeper turned poacher as fireman turned arsonist. It all reinforces the feeling that debt is too important a question to be left to the bankers. The opening for an ambitious politician seems obvious.

Lombard

Not all gloom in France

By David Marsh

WHICH Western industrialised country—in spite of an almost daily outpouring of economic gloom from its national Press—is currently sitting on record official reserves of foreign exchange; practically eliminated its current account deficit in the latest quarter; has brought down inflation to a 10-year low (admittedly, at around 9 per cent, still above the international average); and actually managed to reduce unemployment slightly over the past 12 months?

Further clues: the budget is moving firmly into structural balance, according to the Organisation for Economic Co-operation and Development; new car registrations this year are at an all-time high; the stock market has risen by nearly 40 per cent from end-1982; and the currency, in spite of frequent bouts of speculative pressure, has fallen only about 3 per cent against sterling since May 1981.

The answer should be obvious, but probably isn't: Socialist France.

The French economy is clearly not out of the wood yet. There are still large question marks over the social consequences of this year's economic austerity measures and over trade union reaction to the expected creeping up of unemployment this autumn. Some of the figures quoted above—for instance the booming foreign exchange reserves, caused principally by massive foreign borrowing—are not quite as good as they seem.

Nonetheless, the statistics issued over the summer show that the economy is responding, more quickly than many observers expected, to the Government's efforts to stabilise the franc, balance France's external accounts and reduce inflationary pressures. And the process is taking place without, so far at least, the massive loss of jobs and output which accompanied similar efforts at adjustment in Mrs Thatcher's Britain.

Some economists at the OECD, for instance, believe that, provided M Jacques Delors, the Finance Minister, can stick to his guns for another six months, France in a year's time could be starting to repay ahead of schedule some of the large foreign borrowings it has been piling up over the past two years.

What is strange about the turn-round is that very few people seem to have noticed it. The French Socialists have had a bad press domestically and internationally ever since the Government made its initial economic mistakes (like many newly elected administrations) in 1981. In fact, under M Delors—who is presiding over a fairly middle-of-the-road mixture of orthodox fiscal and monetary policies and moderate price and wage controls, combined with a Socialist welfare safety net for the worst-off — many of the first year's mistakes have subsequently been unwound.

But still the news persists that France is going daily to the dogs. Some of the misinformation can only be classed as propaganda.

Pessimism is clearly contagious. The French national sport of complaining about their government, allied to continual overdone tidings of woe about tax rises, and economic downturn in large sections of the domestic Press, hardly contributes psychologically to improving the business climate.

The Paris Government would probably do itself a favour if it tried harder to present the country's economic position in a way which hid none of the many serious difficulties but which also put France's problems into international context.

For instance, the number one economic grouse in France as the summer comes to an end is the increased burden of taxation. But few Frenchmen complaining about government efforts to speed up income tax receipts are probably aware that France allows a much more generous time-lag in tax collection than other industrialised countries.

Increasing numbers of French taxpayers (to judge by random conversations in the last few months) regard Mrs Thatcher as a tax-cutting paragon. Yet during the last two years, according to OECD figures, taxes as a proportion of national income have risen 1 percentage point in France (from 42.7 to 43.7 per cent) ... and 4 points (36 per cent to 40 per cent) in the UK.

Letters to the Editor

Inconvenience - and pollution - from burning straw

From the Director, Paper and Board Division, Paper and Board Research Association.

Sir,—You refer (August 24) to a report by Friends of the Earth which condemns straw-burning as unjustifiably wasteful. While it is difficult to accept the assessment that the potential value is £500m for the 5-6m tonnes of straw burnt each year, nevertheless the loss is considerable.

Of course straw has calorific value and might be used for energy generation (a) if it were not so bulky and (b) if it was a purer form of carbon. In this country it has to compete with coal which many studies have shown it is incapable of doing.

Farmers have sought for a use of straw ever since the traditional uses disappeared but there is only one real end use worth contemplating and *that is for papermaking.* This country currently imports some 3.5m tonnes of paper and 2m tonnes of pulp. Some of this could be made from straw, thereby benefiting the balance of trade.

The use of straw for papermaking in the UK has long been debated but never resolved. The attitude of the British paper industry towards straw pulping remains profoundly sceptical mainly because of their experiences with supply and availability.

Nevertheless, straw pulp is an excellent paper-making material and were it to be available at an appropriate price it would be used. Papermakers, however, would like to buy pulp—not straw—and are very unlikely to build a pulp mill to utilise straw. Are farmers likely to build a straw pulp mill to sell pulp?

Of course, there are technical difficulties but successful pulp mills for straw exist. In the past progress has been hindered by a too naïve view of the problem. In this context it is illogical to talk about the *interests of* the "UK paper industry." Even a layman recognises the difference between, say, banknote paper, toilet tissue and newsprint. The products are all made on papermachines but their manufacturers have little technical common ground. They all buy pulps, but the pulps they buy are as different as the papers they produce. Generalities about *the use of straw for papermaking* are not going to resolve the problem. What is required is a detailed specific study and in this the Government should take the lead.

D. Atwood.
Pira.
Randalls Road,
Leatherhead, Surrey.

From Mr W. Robson

Sir, — John Cherrington's article on straw burning (August 26) demands a response from the non-farmer to the arguments which he pursues.

No one would deny that straw burning is both practical and economic to the farmer. Its practical advantage of weed control is contested even by farmers. It is sad that the farming community show such a singular lack of sympathy to the inconvenience which one farmer can cause to so many thousands in the surrounding neighbourhoods by his atmospheric polution.

Although one is shocked to read of the damage farmers have done to themselves in Norfolk by accidentally burning their own combines, tractors, hedges, trees and each other's standing corn, never a thought is given to uninvolved country dwellers who suffer a permanent rain of ash and cinders at this time of the year.

Presumably it is more economic and convenient for some of our large industrial complexes to discharge their effluent into atmosphere and water. Public opinion, supported by Acts of Parliament, over the years, has enforced additional costs on to these complexes to ensure that they do not.

Cereal farmers earn a comfortable living aided by generous EEC grants and tax allowances. Hopefully, public opinion will force them to *adopt a less selfish,* albeit a more costly attitude, to others in the very near future. In the meantime, perhaps district council straw-burning byelaws could include with the £1,000 maximum fine a ban on burning for that offender for a period of up to, say, five years.

W. D. Robson,
22 Lockmore House,
Ebury Street, SW1.

From the Managing Director, Bootham North Engineering

Sir,—My company has spent the past two years on developing a commercially viable densifying system that will process straw and other waste materials of large amounts into compact, combustible energy cubes, thereby giving the farmers the chance to put their straw to profitable use by using the cubes to cut their own heating costs or by selling the cubes to the general public or industry.

With the development of our machine we believe the obvious problems and hazards of burning straw in the field could be at an end with the opportunity of providing a real alternative to this annual waste of resources.

E. Mason,
Bootham North Engineering,
Claylands Avenue,
Worksop, Notts.

British Rail's next chairman

From the Contributing Editor, Modern Railways

Sir,—Mr L. Irvine-Brown (August 26) sees the recruitment of a new chairman for British Rail in terms of the pressures from politicians, civil servants and the media. For an external candidate this is no doubt true. For an internal candidate, however, the hiding-to-nothing becomes a unique opportunity to run the business.

British Rail is a service industry which depends on its productive employees being at the right place at the right time day-in, day-out. The main task of management is to make sure that this intricate organisation and its equipment works efficiently and effectively. Get this right, and the technology and marketing too, and financial performance will improve. To draw a parallel with British Leyland, what would Sir Michael Edwardes have achieved if in the end the company had not been making cars that the public would buy?

For the next British Rail chairman the product should come first with the aim of getting the business right. To this end the unwillingness of external candidates to take over Sir Peter Parker's "bed of rails" could yet be the salvation of British Rail.

Roger Ford.
8, Russellcroft Road,
Welwyn Garden City, Herts.

Tweedledum and Tweedledee

From Mr J. Davison

Sir,—The merger of the Departments of Trade and *Industry* has endowed the new organisation with the luxury of two Permanent Secretaries, both recently appointed. It appears that there are no alternative posts vacant at present, while premature retirement at such an exalted level in the mandarinate would be both unusual and expensive.

Happily a classical precedent for such a position exists. Both Roman consuls — Paulus and Varro—wished to command the army facing Hannibal immediately prior to the battle of Cannae. Their solution was command on alternate days. What price therefore Sir Brian Hayes in charge on even days of the month and Sir Anthony Rawlinson on odd days. Just so long as the arrangement does not lead British industry to its own Cannae.

J. Davison,
2 Devonshire Villas,
Thornhill Road, N1.

Penalising the tax collectors

From the Managing Director, Tax File

Sir, — The tax strike threatened by the National Federation of self-employed may not get off the ground, but the reasons deserve sympathy from more than just the small business sector.

The unproductive time spent as unpaid tax collectors and government administrators, with all the attendant books, forms and paperwork, shackles most small businesses and can lead to their demise.

What is causing increasing concern now is the Inland Revenue's policy of penalising these tax collecting "volunteers" if they reach a conclusion the Revenue considers wrong. In its attempt to force more of the self-employed into the more convenient and financially productive PAYE net, the Revenue is contesting the self-employed status of many of those giving their services to the small business sector. If the Revenue considers a person has been incorrectly classified it is now very likely to call on the business, rather than the individual, to account for the PAYE. The results can be crippling.

Dennis J. Fowle
4, Valentine Place, SE1.

Economic outlook: a dry September

From Mr Gavyn Davies

Sir,—I was interested to read your coverage (August 23) of the observations of the Director-General of the Meteorological Society on the deficiencies of economic forecasting. His views should be respected.

In future, I trust you will give equal prominence to Sir Terence Burns' views on the weather. Meanwhile, by own economic training enables me to predict a dry September.

Gavyn Davies.
Senior Economics Consultant,
Simon and Coates,
1, London Wall Buildings,
EC2

FINANCIAL TIMES

Thursday September 1 1983

Mr Robert Mugabe

Acquitted Harare officers detained

By Our Harare Correspondent

SIX WHITE Zimbabwean air force officers were detained indefinitely under the Government's emergency powers yesterday, minutes after being cleared in the High Court of sabotage charges.

The men had been accused of helping alleged South African saboteurs destroy 13 aircraft at the Gweru air base in July last year.

Police acting under orders of Mr Herbert Ushewokunze, the Minister of Home Affairs, took the men back to Chikurabi maximum security prison in handcuffs, watched in dismay by sobbing relatives and whites who had packed the public benches.

Judge Enoch Dumbutshena, a black Zimbabwean, had acquitted the officers, four of whom hold joint British-Zimbabwean nationality, on grounds that their alleged confessions had been obtained through torture, beatings and illegal inducements. They had also been denied access to their lawyers through their interrogation, he said.

In London last night a Foreign Office spokesman welcomed the judge's verdict but described the new detentions as very disturbing. Britain is urgently seeking clarification of the detention order.

The acquitted offices included the former deputy air force commander, air vice marshal Hugh Slatter and Air Commodore Philip Pile.

Whites packing the public benches applauded and thumped the leather seats in joy when Judge Dumbutshena, a veteran black nationalist in the former Rhodesia, dismissed the officers "confessions," found them not guilty and discharged them. When police soon afterwards detained the officers again, spectators erupted in anger, some shouting "black bastards," others "shame."

The outcome may well lead to resignations from many whites still serving as pilots and technicians in the air force, and damage morale among the estimated 170,000 whites in the country.

Considerable pressure by Britain and the U.S. in particular had been exerted on the government to allow the officers to go free if acquitted. Political sources said that Mrs Margaret Thatcher, the British Prime Minister had urged this course on Mr Robert Mugabe, the Zimbabwe leader, during his visit to London earlier this year.

Western diplomats in Harare said before the trial that redetentions would make it difficult for them in terms of domestic politics to maintain unqualified support for Zimbabwe. Mr Mugabe's old friends in the British Cabinet – notably Lord Carrington and Lord Soames – have gone, and the country now lacks an enthusiatic lobby in Whitehall.

Mr Mugabe will learn America's view when he meets President Ronald Reagan in Washington on September 13. The U.S. is Zimbabwe's biggest aid donor, with some £147m pledged, followed by Britain with £114m.

Zimbabwe desperately needs the aid as its economy reels under the effects of the world recession. No diplomats here are suggesting that either Britain or the U.S. would cut off support as a result of the rededentions, for the country is too strategically important, but it would make it difficult to sustain aid at former levels.

The government has now failed to secure convictions in four major subversion trials since independence in 1980.

Private sector challenge on UK cable TV bids

BY RAYMOND SNODDY AND GUY DE JONQUIERES IN LONDON

BRITISH TELECOM, the state-owned telecommunications group, and its private sector competitor Mercury were locked in tense commercial battle as applications closed yesterday for 12 interim franchises to build and operate multi-channel cable television systems in the UK.

Mercury is a joint venture of Cable & Wireless, British Petroleum and Barclays Merchant Bank.

The Government received 37 applications for the 12 franchise areas. The full list will be published today, but present cable operators such as Visionshire, Rediffusion and Thorn EMI figure large in the list.

British Telecom, which at one stage sought a dominant position as cable supplier to the growing cable network, is involved with nine consortia which have put in applications. This is a lower figure than many in the industry expected, although British Telecom could also act as technical subcontractors for successful applicants.

Mercury, on the other hand, is not involved in any of the consortia applying for franchises. It has sought instead to convince potential operators that they could in the long run make more profit in relationships with Mercury rather than leasing their lines from the state group.

Mercury intends to form links with successful applicants to allow the provision of voice and data services.

British Telecom and Mercury have a monopoly of offering voice service in the UK.

In some cases Mercury is believed to have offered potential operators a proportion of the profits from voice traffic and argued that this could be more financially viable, at least in the short term, than the sale of television programmes to the public.

It is understood that at least a dozen of the bidders have included in their applications proposals to associate themselves with Mercury on this basis.

The Government, however, has recently urged Mercury to join cable television consortia and has warned it that failure to do so could place it at a disadvantage against British Telecom.

The applicants for the interim franchises, which will be able to operate in advance of the setting up of a cable authority, show a wide geographical spread although there is a marked cluster in the prosperous counties around London.

The Government will also announce today the names of the independent consultants who will vet the applications before passing them on to a panel of assessors.

The final decisions will be taken jointly by the Home Secretary and the Secretary for Trade and Industry and is expected in November.

The terms of applications make it clear that consortia with substantial resources will have a considerable advantage. There will be a clear bias in favour of consortia offering more technologically sophisticated systems such as the switched star configuration.

Indeed all applicants have been asked to make a statement explaining how their scheme would contribute to the application of advanced technology.

Yamaha loses $97m in year

By Charles Smith in Tokyo

YAMAHA MOTOR, the world's second largest motor-cycle manufacturer, suffered a consolidated pre-tax loss of Y24.01bn ($97.5m) in the year to April 30. The loss reflects sharply declining sales of motor-cycles in Japan and overseas as well as special costs involved in the reorganisation of Yamaha's U.S. subsidiary.

Total sales by Yamaha and its subsidiaries fell to Y489.1bn from Y549.7bn in the previous year. The group's after-tax loss amounted to Y23.06bn.

Yamaha announced in June an after-tax loss for 1982-83 of Y10.65bn by the parent company alone. The loss was attributed to a fall of just over 30 per cent in motor-cycle sales and to a sharp deterioration in the company's balance on financial items. The worsening financial balance stems from heavy borrowing undertaken to increase Yamaha's capacity and to expand domestic market share from 1981 onwards.

Yamaha's share of Japan's domestic motor-cycle market rose from 35.1 per cent to 36.3 per cent in 1981 as the company embarked on an all-out campaign to overtake Honda, the market leader. It fell to 33 per cent last year as Honda counter-attacked by releasing a wave of new models. During the battle for market share both companies offered heavy discounts to dealers, but Yamaha suffered more than Honda because of its heavier reliance on motor-cycle sales.

Yamaha's overseas sales prospects have been depressed by the rise earlier this year on the U.S. tariff on motor-cycles. Unlike Honda and Kawasaki, the company has no production facilities in the U.S.

Yamaha is engaged in a two-year reconstruction programme during which production will be cut sharply.

The company expects to lose money again during its current fiscal year, and the dividend on parent-company shares will be passed.

Yamaha has undergone a management shake-up, in which its president resigned. His successor was seconded from Yamaha's sister company, the musical instruments manufacturer Nippon Gakki.

Two former Herstatt managers sentenced to prison and fines

BY JONATHAN CARR IN BONN

THE FOUR-YEAR trial of those involved in the Herstatt affair, the biggest banking failure in West German history, has ended with the conviction of two of the bank's former managers.

A Cologne court yesterday sentenced Count Bernhard von der Goltz, aged 48, and Herr Heinz Hedderich, 52, each to two years and five months jail and fines of DM 45,000 ($16,734).

Both were found guilty of fraud and complicity, but admissions they made in the final phase of the trial speeded proceedings and helped to cut their sentences.

They were the last of six people convicted in connection with the collapse of the Cologne-based Bankhaus I. D. Herstatt, which closed its doors, in June 1974, with losses of about DM 1.2bn.

The affair sent shock waves through the international banking community, led to a change in German banking law and brought in its wake lengthy, complex liquidation proceedings.

In March this year, three former foreign-exchange dealers at Herstatt were given prison terms of up to 7½ years for fraud. In June, a further senior official of the bank, Herr Kurt Wickel, was jailed for two years.

The proceedings began in 1979 with a prosecution case running to more than 1,000 pages, accompanied by a snow of computer printouts of foreign-exchange transactions. The final protocol amounts to about 12,000 pages.

Two of the key defendants had to be released on medical grounds very shortly after the trial began. The head of the bank, Herr Ivan Herstatt produced reports saying he had serious heart trouble. The head of the foreign-exchange department, Herr Dany Dattel, was said by doctors to be liable to suicide attempts.

During the final session, the presiding judge, Herr Ulrich Höppner, also strongly criticised Herr Hans Gerling, majority shareholder of the crashed bank, for failing to appear as a witness.

Herr Gerling had argued that his health was too unsound to permit him to appear.

Electrolux to sell subsidiary

Continued from Page 1

yesterday, as required by the country's labour laws. Completion of the deal is not, however, expected for another six weeks. The sum of money involved has not been specified, although the deal could be worth about £15m ($22.4m).

Electrolux is also seeking to dispose of its U.S. air conditioning subsidiary, Emerson Quiet Kool, which had sales of $500m last year.

This year the group has already sold its Facit office products subsidiary, Platzer Bygg construction unit, and parts of Grånges International Mining. Mr Anders Sharp, Electrolux managing director, said the sales were part of the restructuring strategy, which would strengthen the company balance sheet.

Mr Sharp said he was a little uncertain whether second-half figures would keep pace with the first six months. He noted that no major improvement had yet been registered on the European market. Electrolux had pre-tax profits of SKr 567m last year.

The higher half-year earnings were attributed to market developments in the U.S., Britain and Scandinavia.

Sales in the household appliance diision, which accounts for half the group total, grew 27 per cent to Skr 8bn with "sharp earnings improvement, particularly in so-called 'white' products."

The Grånges Metal group turned in a profit of Skr 130m compared with the pretax loss of Skr 40m for the first six months of last year.

Harris Bankcorp in acquisition talks

BY PAUL TAYLOR IN NEW YORK

HARRIS BANKCORP, the third largest bank holding company in Chicago, said yesterday that it had been holding "preliminary discussions with a major international bank" concerning Harris's possible acquisition.

The surprise announcement came after the bank's shares were suspended on the New York Stock Exchange in early trading after rumours that the bank was about to be acquired.

The rumours were prompted by a syndicated newspaper report that the Bank of Montreal was about to mount a takeover bid for Harris at a price of between $70 and $90 a share. A $90 bid would value Harris at about $600m.

Harris's shares closed at $46¾ on Tuesday, breaking a 12-month high of $45¾. When trading in the stock reopened on the New York Stock Exchange yesterday after the suspension, the share was quoted at $53¾, and closed up $10¾ at $57½. At the end of June, book value was about $59 a share.

Harris, which has a reputation as a cautious but forward-looking bank, said yesterday in response to inquiries from the New York Stock Exchange: "No proposal has been made and it is impossible to tell whether any transaction will eventuate."

The bank, which has assets of $7.14bn at the end of last year, is highly profitable and has developed a special niche in the Chicago and U.S. market as a foreign-exchange trader. Its foreign-exchange operations rank third in the U.S.

In the first half of the year Harris had net earnings of $18.1m or $2.73 a share compared with net earnings of $16.9m or $2.56 a share in the corresponding half last year.

There has been continuing speculation about the future of some of the second-tier independent banks in the Chicago market after recent relaxation in state banking legislation in Illinois.

Last month First Chicago, the city's second largest bank, agreed to pay $275m for American National Bank and Trust Company, Chicago's fifth largest banking group, owned by Walter E. Heller.

Harris itself announced plans earlier this year to acquire the Bank of Naperville, a local suburban bank, for $12.7m cash.

This year Mr B. Kenneth West, president of Harris, in an interview with the Financial Times, said he believed there would be fewer banks in the Chicago market because of consolidation and acquisition.

Caracas sacks oil chief

Continued from Page 1

Petróleos de Venezuela in order to remove him.

A replacement for Dr Calderón as oil minister has not been announced, but it is expected that his long-serving deputy, Sr José Ignacio Moreno León, would be a likely choice.

Both the ruling and the opposition parties, as well as most high-level oil industry executives, believe that Gen Alfonso should have been left in the post until after the December elections, thereby allowing the new administration to take any decision on a new head for the country's cornerstone oil industry.

The discovery last month of a complex network of oil industry employees who were selling confidential information to purchasers of Venezuelan oil has further complicated the situation. Most observers feel that the present board and those of its operating affiliates should have remained in place until investigations were concluded.

Under Gen Alfonso, Petróleos de Venezuela has emerged as Latin America's largest corporation in terms of sales, which peaked in 1981 at almost $18.7bn and last year came to around $15.5bn. An admirer of the managerial style of the private sector, Gen Alfonso sought to keep the company from falling into the wasteful administrative habits that have characterised other Venezuelan state enterprises.

Under the Herrera administration, however, the industry came under increasing political criticism and last year was virtually stripped of its financial autonomy when assets worth approximately $6bn held in offshore deposits were transferred to the central bank. The forced purchase of public debt bonds has caused serious cash-flow difficulties for the company.

Oil sands project renewed

By Nicholas Hirst in Toronto

ESSO RESOURCES of Canada is to undertake a C$300m (U.S.$243m) oil sands project in Cold Lake, Alberta, confirming a return of interest to commercial exploitation of the estimated 30bn barrels of crude locked in the heavy oil deposits of Alberta and Saskatchewan.

The development will, however, be on a much smaller scale than the massive projects planned by various oil groups a few years ago.

The Esso project follows agreement by BP Exploration of Calgary and the state-owned Petro-Canada for a C$200m oil sands project at nearby Wolf Lake, using steam injection techniques and an agreement in principle for the Consumers' Co-Operative in Regina to build a C$600m plant to upgrade Saskatchewan's heavy oil.

The Alberta Energy Resources Conservation Board has granted Esso regulatory approval for the first two phases of the project, each producing 9,450 barrels a day, on which the company hopes work can begin early next year. Production is planned for late 1986 or early 1987.

Approval in principle has also been given for a further four phases to give total production of 56,700 b/d, but Esso has not put a firm date on when it intends to proceed.

Final approval of tax and royalty reliefs from the federal and provincial governments for the first two phases is expected later this month.

Declining world oil prices, rising interest rates, and disagreements between the companies and both federal and provincial authorities on tax and royalty payments resulted in the cancelling of large projects which had been expected to spur the growth of Western Canada.

In 1981 Imperial Oil, the parent of Esso Resources, dropped plans for a C$13bn plant at Cold Lake, and last year a consortium including Shell indefinitely postponed a C$12bn oil sands project.

The revival of the smaller projects reflects a greater willingness by the federal and provincial governments to grant tax and royalty reliefs, and the presence of a steady market for bitumen in the U.S.

THE LEX COLUMN

Safety first at GRE

Guardian Royal Exchange has an unenviable mix of UK business in the present insurance climate. Its failure to curb UK underwriting losses, which have risen in the first half-year by 11 per cent to £22.9m, caused some disappointment in yesterday's market when GRE unveiled interim pre-tax profits of £50m against £35.7m.

But prudent management still appears to be ensuring better-than-average results in most other areas of the group's operations, however, and GRE's board at long last looks ready to tackle its high tax rate.

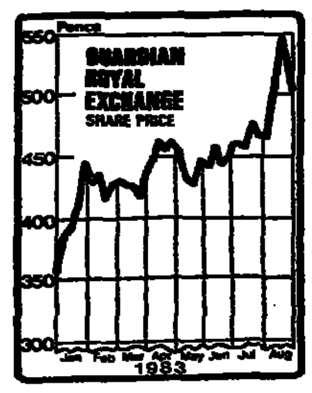
Improved winter weather in the first quarter helped the UK performance, but not enough. Fierce competition on rates, particularly on the motor account, all but stifled the rate of growth in premium income. GRE was then hit by heavy water damage claims in the first quarter and a jump in motor claims frequency in the second.

Overseas, retrenchment in South Africa has contrasted with more rapid growth in the promising Australian account. Canada remains unpredictable but at least has yielded a small underwriting profit.

In the U.S. the group has achieved another lower-than-average operating ratio, at 106.6 per cent, despite high expenses in its new Globe American Casualty subsidiary, now receiving urgent treatment.

At 502p, down 14p, the shares are yielding a prospective 6.3 per cent after yesterday's increase in the interim dividend. Using GRE's current tax rate of 38 per cent and a 1983 pre-tax estimate of £110m, the p/e ratio emerges at about 12½. But GRE is intent on restructuring its international tax position and building up tax shelters. A tax rate nearer, say, 20 per cent would emulate Royal Insurance's success on this front since 1980.

Quite apart from pulling the p/e down to about 9¼, which looks the lowest in the sector, it would also surely improve the dividend prospects.



Asda

What are the food retailers going to do with all their surplus cash flow? The question is becoming urgent for some, and none more than Asda, whose cash pile has risen from £51m to £88m last year in spite of £55m of capital expenditure on 10 new stores. Pre-tax profits for the year have jumped by 27 per cent to £77.4m, with an acceleration in the second half, when the gain has emerged at 38 per cent.

The improvement can be laid squarely at the door of higher volumes in the mainstream food stores, in response, it seems, to the company's promotional efforts. Asda has relied rather less than other retailers on widening gross margins. Volume in existing stores over the year is up 3½ per cent, with a gain of 5 per cent recorded in the second half. Clothing and fresh foods have been strong growth points, as well as improving the sales mix, so with cost increases held below the 5.2 per cent rate of price inflation, net trading margins in the food stores have risen to 4.4 per cent.

Elsewhere, both carpets and furniture seemed to have turned a corner, while interest income has been boosted by some £1m of profits on sales of government stock.

Food price inflation in the coming months is set to lead the general price index, which spells comfortable times for the retailers and Asda should be able to reach a pre-tax level in excess of £95m this year. The high returns in the sector could be tailor-made to produce a renewed price war, except that all the main contenders appear more than happy not to rock the boat.

The sector has been picking up in recent weeks, and Asda put on a further 2p yesterday to 166p, where the prospective p/e on a 40 per cent tax charge is about 14.

Babcock

The resurgence of Babcock's share price this year anticipated a strong recovery in profits, and the first half total of £14m before tax was not too far short of expectations in the market. Yet the shares came back 9p yesterday, to 165p, on the suspicion that with major new power generation contracts difficult to come by, Babcock may be hard pressed to advance much further in the next year or two.

Order books have already begun to taper off – in constant exchange rates orders have dropped by just over 10 per cent in the last 12 months. While there is still an adequate workload well into 1984, fresh orders will be needed if the power side is not to see subsequent gaps in its schedule.

But for the present, Babcock is seeing real benefits from its loss elimination programme of the past two years, while the U.S. operations – closer to the U.S. consumer boom than most of Babcock – are now covering their financing costs after the losses of 1982.

There must nevertheless be a question mark over whether these gains can be repeated next year. The prospect of £32m pre-tax for 1983 – and a prospective p/e on 40 per cent tax of about 11 – suggests a certain wariness over the longer term.

UK laundries

There must have been a sigh or two in Britain's Office of Fair Trading yesterday, at the news of yet another contested merger in the laundry business. Only weeks after the bids from Sunlight and Initial for Johnson Group were stopped by the Monopolies and Mergers Commission, Sunlight is back again to ask for the hand of Spring Grove.

Spring Grove, which ironically enough became vulnerable to takeover bids after its own purchase of St. George's laundry turned sour, is in the embarassing position of having already accepted one suitor – Pritchard. The more attractive terms of Sunlight's offer may win the day despite the "irrevocable acceptances" already in Pritchard's hands.

But the odds must be on another reference to the MMC, since the issues seem not noticeably different from those which operated in the Johnson Group case. Sunlight – and perhaps the advisers of Spring grove – will certainly be arguing the merits of a third force in the sector.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	27	81	Dubrovnik	F	25	77	Malaga	C	26	79	Salzburg	S	27	81
Akrotiri	S	30	86	Faro	C	21	70	Malta	C	30	86	Seoul	S	31	88
Algiers	S	30	86	Florence	S	28	82	Manila	C	33	91	Singapore	S	32	90
Amsterdam	S	26	79	Frankfurt	S	27	81	Miami	C	33	91	Stockholm	F	22	72
Athens	R	27	91	Funchal	S	24	75	Milan	C	27	81	Strasbourg	S	27	81
Bahrain	S	35	95	Geneva	S	25	77	Moscow	C	19	66	Sydney	S	21	70
Bangkok	S	32	90	Gibraltar	C	22	72	Munich	S	25	77	Taipei	C	33	91
Barcelona	S	26	79	Guernsey	S	22	72	Nairobi	C	24	75	Tangier	C	23	73
Beirut	–	–	–	Helsinki	F	18	64	Naples	S	29	84	Tehran	–	–	–
Belgrade	S	26	79	H. Kong	C	28	82	New Delhi	C	35	95	Tel Aviv	S	33	91
Berlin	S	27	81	Innsbruck	S	26	79	New York	R	29	84	Tenerife	S	27	81
Biarritz	S	25	77	Inverness	S	21	70	Nice	S	27	81	Tokyo	C	32	90
Blackpool	C	19	66	Istanbul	F	26	79	Oporto	F	21	70	Toronto	R	26	79
Bordeaux	F	26	79	Jersey	S	23	73	Oslo	S	23	73	Tunis	S	30	86
Brussels	S	27	81	Jo'burg	S	20	68	Paris	S	28	82	Valencia	F	28	82
Budapest	S	25	77	Las Palmas	S	26	79	Prague	S	24	75	Venice	F	26	79
B. Aires	R	13	55	Lima	C	21	70	Reykjavik	C	8	46	Vienna	S	26	79
Cairo	S	33	91	Lisbon	F	24	75	Rio de J'o	S	36	97	Warsaw	S	24	75
Cape Town	C	17	63	Locarno	C	25	77	Rome	S	28	82	Zurich	S	25	77
Caracas	C	27	81	London	S	24	75								
Casablanca	T	25	77	Los Angeles	C	30	86								
Copenhagen	S	20	68	Luxembourg	S	27	81								
Corfu	R	24	75	Madrid	S	29	84								
Dublin	S	19	66	Majorca	S	28	82								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday September 1 1983

Lufthansa expects to stay in the black

By Our Frankfurt Correspondent

LUFTHANSA, the West German airline, hopes to make a further profit this year, although it notes that problems are appearing in the form of the high dollar exchange rate, a new rise in fuel bills and high interest rates.

Discount fares could also cause difficulties if they became more widespread, the airline said.

Lufthansa, which is more than 80 per cent state-owned, expressed satisfaction with performance in the first half of this year.

Gross operating revenue was up 3.3 per cent on last year's level at DM 3.5bn ($1.3bn). Passenger traffic was up 2.3 per cent, while freight volume increased by 10.8 per cent. The airline carried 6.9m passengers, 217,700 tonnes of freight and 26,700 tonnes of mail.

Last year Lufthansa sharply improved its results with a profit of DM 45m after taxes and paid a dividend of DM 2.50 on both ordinary and preference shares.

Herr Heinz Ruhnau, who took over as chief executive last year, pointed out recently that earnings had grown faster than costs in the first half of this year.

Lufthansa spent DM 524m on capital investment in the first six months of this year. Most of the outlay went on aircraft and reserve engines.

Six of the new Airbus A 310 aircraft have been flying with Lufthansa since early July. The airline now has a fleet of 116 aircraft, with an average age of about five years.

Dutch insurers improve first-half net profits

BY WALTER ELLIS IN AMSTERDAM

NATIONALE Nederlanden, the biggest Dutch insurance group, raised its net profit by 7.7 per cent to Fl 197m ($64.6m) in the first six months of this year. At the same time, AGO, a smaller insurance concern which is at present negotiating a merger with the Ennia group, saw its earnings race ahead by 40 per cent to a new total of Fl 55m.

Total domestic revenue at Nationale Nederlanden during this year's first half increased by 13.5 per cent, to Fl 6.3bn, aided by continuing growth in life insurance and investment income and a "very modest" advance in the non-life sector.

Outside the country, revenue was up by 17 per cent, with exchange rate fluctuations playing little part in the result. Increases in the values of the U.S. and Canadian dollars were offset by falls in currencies elsewhere.

Non-life affiliates in Canada continued to improve, and there were also signs of a recovery in the U.S. However, poor non-life results from Mercantile Mutual depressed the overall picture.

Nationale Nederlanden says that the extremely erratic movements of non-life results make it difficult to forecast whether the favourable overall trend in the six months to July would continue to the end of the year. It does, however, expect results for the 12 months to be at least equal to those for 1982. An interim dividend has been set of Fl 4.10 per share.

AGO's rise in first-half earnings to Fl 55m compares with the 1982 midway figure of Fl 39m. If the company's merger with Ennia, a similar-sized venture, goes ahead, it would create the second biggest insurance group in the Netherlands.

Sales at AGO during the first half rose by 13 per cent, to Fl 2.14bn, while premium income went up from Fl 1.42bn to Fl 1.58bn – an increase of 11 per cent. Of the premium income total, Fl 911m arose from life policies and Fl 664m from general insurance.

Investment income also recovered sharply. That from the Netherlands itself went up by 13 per cent and U.S. investments soared in value by 41 per cent, bringing income from the sector to a total of Fl 563m.

Papermakers in political clash

BY PAUL BETTS IN PARIS

THE FUTURE of La Chapelle-Darblay, the large French paper manufacturer accounting for more than 85 per cent of French newsprint production, is becoming a major political confrontation between M Laurent Fabius, the French Industry Minister, and the powerful pro-Communist CGT labour confederation.

The controversy reflects a marked change in the industrial policy of the French Socialist-Communist coalition government, which has recently adopted a tougher approach to the restructuring of lame duck industries.

The CGT is opposed to the latest government restructuring plans for the troubled newsprint group based in Rouen. The plan would involve laying off 1,500 people or three quarters of the workforce of 2,100 and the management control of the company passing to Parenco, the leading Dutch paper concern.

For M Fabius, the affair has been especially difficult as Rouen is his parliamentary constituency. Despite the growing local protests against the Government's plans fuelled by the CGT, M Fabius has stood his ground firmly, arguing that there was no alternative for the newsprint group except the Dutch venture coupled with the lay-offs if La Chapelle d'Arblay is to survive as a going concern.

The company has lost an estimated FFr 15m ($1.85m) a month during the past two years and has received subsidies from the Government totalling FFr 3bn during this time.

The CGT now intends to intensify its campaign to stop the proposed Dutch rescue plan for La Chapelle-Darblay. Its moves include a call to members in the printing unions not to publish French newspapers from September 19 to 23 which do not print on French produced paper.

The strong line so far adopted by the Government, however, suggests it is willing to face the unions' hostility while maintaining its commitment to retain a newsprint industry in France.

Rescue bid for Abba investment company

By Kevin Done in Stockholm

KUBEN, an investment company associated with the Abba pop group, was allowed to resume trading yesterday by the Stockholm stock exchange after the board published a rescue plan.

Kuben ran into problems last year when it seriously overstretched its financial resources. It spent around SKr 300m ($37.9m), buying company share holdings and investing in oil while financing the purchases largely through debt.

Trading in Kuben stock was stopped last Friday because the stock exchange had grown alarmed about the lack of financial information being provided for its small shareholders. Its affairs had been investigated by stock exchange auditors.

Three Abba group members, Bjorn Ulvaeus, Benny Andersson and Agnetha Faltskog, hold small direct stakes in Kuben. They also hold further stakes indirectly through another investment company, Polar Music Invest.

Kuben itself has a subsidiary collecting the royalties from Abba records. Its main holding is a 97 per cent stake in Monark, the Swedish maker of bicycles and leisure products.

The Abba group members have largely gone their separate ways in recent months and both Miss Faltskog and Annifrid Lyngstag have issued successful solo albums. Miss Faltskog has also recently begun a film career.

Miss Lyngstag, who has moved from Sweden to London, sold her interests in the Abba empire before Kuben and its associated companies became surrounded by rumours in financial markets.

Under the rescue plan Kuben now proposes to sell holdings of stock and real estate interests to reduce debts.

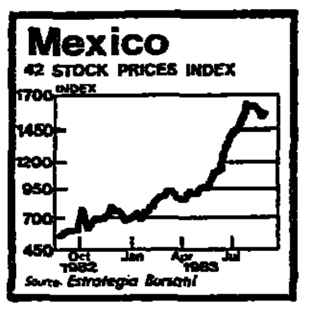
SHARE BOOM DESPITE ECONOMIC CRISIS

Mexican stocks leap

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO, suffering its severest economic crisis in 50 years, as measured by slow growth and international debt problems, is also finding that its stock exchange is performing remarkably well.

The 42-stock price index has more than doubled its level of 671.3 at the start of the year to around 1560, with a peak of 1703 having been reached in July. The increase puts the Mexican bourse into the contest to be the fastest-growing in the world this year.



President Miguel de la Madrid's Government has not failed to use this statistic as a weapon in its argument that economic confidence is returning.

The index fell 34 per cent in 1981, from 1,432 to 947, and a further 30 per cent in 1982 to 671, when Mexico felt the effects of its external debt of $83bn, of ill-afforded government spending and of lower oil income.

"Just as the stock market foresaw Mexico's crisis, so the market is seeing a recovery next year," says one leading stockbroker. "With this in mind, investors are taking positions for 1984."

The factors behind the steady rise in the index have worked on a thin volume of trading and from a low base, and reflect a series of economic achievements, suggesting that the Mexican private sector, for all its problems, is not as shattered as many people have feared.

International oil prices have stabilised, a vital factor for Mexico, which relies on oil for 75 per cent of its export revenues, and is the worse off by $550m for every $1 drop in the price.

Inflation is coming down, although it will still be about 80 per cent this year. So too are the high domestic interest rates, and there was a record $6.5bn trade surplus in the first-half of the year.

The Government's scheme to help indebted companies restructure a total $14bn of external debts is in place. Many of these companies' shares are being actively traded.

Companies have been driven close to failure by the extra cost of servicing their foreign debts caused by the 82 per cent devaluation of the peso.

The Government scheme, called Ficorca, gives foreign exchange advantages and makes available pesos for the majority of companies having little liquidity, provided that debts are restructured over six to eight years with three to four years' grace. Ficorca gives a much needed breathing space.

Total market capitalisation of the 103 most traded companies is only 290bn pesos ($1.9bn), "half the value of a nuclear submarine," comments one stockbroker, or in more traditional terms, the market capitalisation of just one middle-sized company on the New York Stock Exchange. The 103 cover the bulk of the private sector in an economy largely directed by the Government.

Two years ago, when the exchange rate was 25 pesos per dollar compared with today's 149 pesos, the market capitalisation was the equivalent of $10bn.

The present market capitalisation represents only 23 per cent of the net worth of these companies. The historic price-earnings ratio of the market (during the past 12 months) is still only 3.3 higher than the 2.3 of a year ago but much lower than the 6.4 level of two years ago when the index was about 1,000.

What is happening now is that an "inner market" is developing within the stock exchange made up of growth companies with manageable external debts and export potential and whose shares are regarded as underpriced.

This applies, for example, to mining companies such as Penoles, the world's largest single producer of silver, whose share price rose 200 per cent in the first half of the year, from 258 pesos to 780 pesos.

Its profits in that period rose 1,200 per cent as the devaluation boosted the peso value of its exports. Penoles's shares, however, are still selling at only twice estimated current earnings.

In another context, the shares of Camesa, the wire, rope and cable manufacturer and the associate of Bridon, rose 618 per cent, from 17 pesos to 122 pesos.

A study of the first six months' performance of the stock exchange by Estrategia Bursatil, the brokerage house, indicated that, while 81 share prices were higher than they were at the beginning of the year, only 32 were higher than at the end of 1981.

Yet the index was 50 per cent higher on July 1 this year than it was at the end of 1981. This is largely because mining and service companies, such as Penoles and Telefonos de Mexico, the state telephone company, which have not suffered much from the liquidity crisis, figure more heavily than other sectors in the index.

Eighteen of the share prices which rose more than 100 per cent, such as Penoles, reflected profit rises in the latest reported quarterly earnings of a similar or greater amount.

However, there were nine share prices which also rose substantially, such as Moderna, the Mexican arm of British American Tobacco (BAT), which reported heavy losses, mainly because of large dollar debts. Its share price rose 347.8 per cent, from 35.5 pesos to 150 pesos, while its earnings declined 487 per cent.

Brown Boveri subsidiary has midway rise

By Our Bonn Correspondent

BROWN Boveri (Mannheim), the West German subsidiary of the Swiss engineering group, boosted profits in the first half year and sharply increased sales, especially abroad.

The company attributes the (unspecified) profit improvement to renewed rationalisation. Last year net profit dropped to DM 6m ($2.23m) from DM 20m in 1981, and reserves were drawn upon to help maintain the dividend.

Group external sales in the first half against the same period of 1982 rose by 14 per cent to DM 2.1bn. Foreign sales jumped by 29 per cent thanks to several big industrial plant contracts, while domestic turnover was up by just 3 per cent.

The orders picture was less satisfactory. Incoming orders rose by only 2 per cent to DM 2.6bn, based on an increase of 1 per cent at home and 4 per cent abroad.

The number of company employees fell in the first half year by 853

KHD reduces costs to offset falling sales

BY JONATHAN CARR IN BONN

THE West German engineering concern, Klöckner-Humboldt-Deutz (KHD), expects another satisfactory profit this year despite falling sales and orders in the first half, especially abroad.

The company explains its confidence by saying it has had further success in cutting costs in all sectors. Last year, net profit rose by DM 12m ($4.46m) to DM 49.8m and the dividend was increased, although sales were not buoyant.

Parent-company turnover dropped by 9 per cent between January and June against the first half of 1982 to DM 1.6bn. While domestic sales fell by 4 per cent to DM 724m, sales abroad plunged by 13 per cent to DM 918m.

At home, the problems of the shipbuilding, construction and commercial vehicle industries all took their toll. But KHD was able to boost its sales of tractors and other agricultural machinery.

Abroad the company was affected by falling sales in the Opec states and Third World countries in particular, a drop foreshadowed in last year's dwindling order figures.

Incoming orders dropped by 17 per cent to DM 1.8bn in the first half, with those at home easing off by only 1 per cent to DM 768. Foreign demand fell by 27 per cent to DM 1bn.

Things are likely to improve a little in the second half. KHD has been negotiating one or two big deals, and these are likely to emerge as firm orders by the end of the year.

At mid-year, orders in hand were worth DM 3.3bn, 9 per cent less than a year earlier, and KHD employed 21,500 people – about 1,000 fewer than at the end of 1982.

Earnings up by 42% at Bang and Olufsen

By Hilary Barnes in Copenhagen

BANG & OLUFSEN, the Danish manufacturers of colour television sets and stereo equipment, increased earnings in the year ending in May by 42 per cent to DKr 30m ($3.1m) on sales up by 12 per cent to DKr 1.3bn.

An unchanged 10 per cent dividend will be paid and the company plans a DKr 25m share issue this autumn, with no preference for existing shareholders and priced at market value, which at yesterday's share price will bring the company DKr 103m. The issue will take the nominal value of the company's share capital to DKr 100m.

The earnings improvement is expected to continue in the current year, when profits are budgeted to increase to DKr 45m.

Wella gets set for the stock market

BY JOHN DAVIES IN FRANKFURT

WELLA, the hair-care company based in Darmstadt, West Germany, whose products have found their way into virtually every country in the world, is taking a cautious step towards a share market listing.

Founded by Franz Stroher in 1880, the company has survived the chaos of two world wars and the financial turmoil of the Weimar republic. Today, it employs 10,000 workers in 27 countries and expects sales revenue this year to reach DM 1.4bn ($520m).

As many other large West German enterprises, Wella has so far remained a family concern, entirely in the hands of Stroher's descendants, and has felt neither pressure nor incentive to make a stock market launching.

Now, although taking few chances of losing control of its affairs, Wella is making a public offer of more than 540,000 non-voting preference shares. They have a nominal value of DM 50, at a price of DM 340 per share.

The share offer, being organised through a heavyweight consortium headed by Deutsche Bank, Dresdner Bank and Commerzbank, will raise some DM 184m. The company says the new funds will be used to strengthen its capital base and will provide the foundation for further growth.

The shares will be traded on the Frankfurt stock exchange, possibly from September 12. Although the distance from Darmstadt to Frankfurt is small in terms of kilometres, the journey takes Wella into uncharted territory.

Wella executives have conceded that they have steered clear of the stock market so far partly because they were "publicity-shy." This era ended, however, as executives outlined company history and plans to journalists at a presentation presided over by none other than Dr Wilfried Guth, one of the two top managers of Deutsche Bank.

Wella's move illustrates some basic aspects of the West German financial system.

Many companies built up large and wide-ranging organisations after the war – with the close aid of their house banks but without recourse to the stock market. But some financial experts, including voices at the Bundesbank, have been stressing lately the need to strengthen the capital-raising role of the share market.

With the market showing more signs of life over the past year, a minor wave of rights issues and new listings has been building up.

The preference shares on offer from Wella have a nominal value of just over DM 27m. About DM 16m of these arise from a capital increase, while DM 11m of them are being made available from existing shareholders.

The new shares will qualify for a DM 1 higher dividend than ordinary shares and dividend rights will be retrospective to July 1 this year. The half-year dividend for preference shareholders is estimated at DM 4 per share.

The group made a worldwide net profit of DM 52m last year, with more than 70 per cent of the DM 1.3bn sales revenue being earned abroad.

F. L. Smidth faces loss

By Our Copenhagen Correspondent

F. L. SMIDTH, the Danish engineering company specialising in cement plant and cement-making machinery, will be unable to maintain last year's 12 per cent dividend next year, the company said.

It has lost over DKr 200m ($20.65m) on a cement plant under construction in Algeria. As a result, sales manager, Mr Ole E. Efsen, has resigned.

The parent company is now expected to make a loss this year, its first since 1945, and, although the other 65 subsidiaries and associated companies in the group have generally shown positive development in the first half of this year, they will not be able to make up for the parent company's loss, said the chairman, Mr Erik Mollerup.

Air Florida in debt change

By Terry Dodsworth in New York

AIR FLORIDA, the loss-making U.S. airline, has succeeded its restructuring a small part of its debt. But it said yesterday that it was still threatened with closure.

The airline has renegotiated plans on part of a $48m loan from InterFirst Bank. But failure to make payments on the InterFirst loan, and on notes issued in connection with an Federal Aviation Administration guaranteed loan, has led to the reclassification of $91m of long-term debt.

As a result, the company now has $118.9m of short-term borrowing subject to demand for immediate payment.

Air Florida has taken extensive cost-cutting measures in the last year.

INTL. COMPANIES & FINANCE

Earnings fall at Daihatsu Motor

By Yoko Shibata in Tokyo

DAIHATSU MOTOR, the Japanese car manufacturer belonging to the Toyota Motor group, has announced unconsolidated net profits down by 5.4 per cent to Y4.88bn ($19.8m) for the year to June 30. Sales at Y426bn were up by 6.2 per cent from the previous year. Profits per share were Y12.89, compared with Y13.6.

Thanks to the introduction of the new "Charade" 1000-cc model, mini car sales rose strongly by 26 per cent, to 47,099 units. Including sales of commercial vehicles to Toyota on a consignment basis (130,995 vehicles, down by 9 per cent), total car sales grew by 4 per cent to 629,711 units.

However, owing to economic depression in its major export markets in Latin America and South East Asia, the company's total export sales fell by 2.8 per cent to account for 24 per cent of turnover.

Lower-than-expected earnings were blamed on the continued depreciation costs resulting from the company's heavy capital investments in the past.

For the current year, to June 1984, the company forecasts sales of Y460bn, up by 8 per cent, on the strength of brisk sales of mini-cars, and a recovery in exports. Net profits are expected to reach Y5bn, up by 2.4 per cent.

ICH profits up 24% at six months

By Robert Cottrell in Hong Kong

INTERNATIONAL CITY HOLDINGS, the HONG KONG property development company, has reported interim net profits of HK$106.6m (U.S.$14.2m) a 24 per cent increase over the HK$86.3m reported for the first half of 1982.

An unchanged interim dividend of 1.5 cents is proposed from first-half earnings per share up from 2.5 cents to 3 cents.

International City Holdings, which went public in 1981, is an associate of Mr Li Ka Shing's Cheung Kong (Holdings). Reporting as chairman of ICH, Mr Li said that the local property market is unlikely to improve during the current year.

MISC forecasts reduced deficit

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN International Shipping Corporation, which suffered a pre-tax loss of nearly 60m ringgit (US$25.7m) for 1982, is expecting to incur a loss of 40m ringgit this year.

The loss would have been much larger if not for the estimated profit of 40m ringgit from the group's liquid natural gas tankers, which began transporting LNG from Sarawak to Japan early this year.

Tan Sri Tengku Ngah, the executive chairman, said at the annual meeting that the shipping business is expected to remain depressed until 1985. He said MISC, which is the national carrier, has taken steps to reduce its losses, principally by suspending its container service to the Middle East, and winding up its 36 per cent associate, Jumbo Line in Australia.

Operating revenues fell to 482m ringgit in 1982 from 600m ringgit in 1981.

The company, which began operations in 1971 with six ships, now has a fleet of 44 ships totalling 1.3m dwt. The Malaysian government holds 62 per cent of its equity, with Hong Kong shipping tycoon, Frank Tsao and Malaysian entrepreneur, Robert Kuok, holding 19 per cent, and the rest with individuals.

Haw Par to make scrip issue

BY CHRIS SHERWELL IN SINGAPORE

HAW PAR BROTHERS International, the Singapore-based pharmaceuticals to property group, yesterday reported more than doubled pre-tax profits for the six months to June and announced a scrip issue of one new share for every five held.

Unaudited results for the parent company showed a profit before tax of S$2.47m compared with S$1.08m for the same period in 1982. Pre-tax profits for the group improved less sharply, rising from S$11.96m to S$13.28m. After tax and extraordinary items attributable profit increased from S$9.5m to S$11.03m.

The company forecast that group profit before extraordinary items for the full year would not be less than last year, and said they expected that the gross dividend on the enlarged share capital would not be less than 10 per cent.

● THE continuing world recession in shipping has hit Sembawang Shipyard, the Singapore-based ship repairing company, which reported a pre-tax loss for the first six months of 1983 of S$2.79m (U.S.$1.3m) compared with a S$39m pre-tax profit last year.

The net loss was S$486,000 against a profit of S$40.4m previously, but a surplus of S$6.5m on the sale of long term investments left an attributable profit of S$5.4m.

The company said that the shrinking volume of ship repair activity and a substantial reduction in scrap steel prices had "severely affected" its results. No improvement was foreseen before 1984 and there is no interim dividend.

Following reports of its poor results shares in Sembawang Shipyard fell heavily on the Singapore exchange, ending the day 28 cents down at S$2.10. The company is majority owned by Sembawang Holdings (Private), an unlisted company itself 100 per cent owned by the government.

Continental in $510m forest products deal

BY OUR NEW YORK STAFF

CONTINENTAL GROUP has sold its container board and kraft paper interests to Stone Container for $510m, marking a further step in the restructuring of the U.S. forest products sector.

The deal, announced on Tuesday, follows only days after Scott Paper, the Philadelphia-based tissue paper manufacturer, sold 240,000 acres of timberland in the north-east of the U.S. Continental also disposed of some Canadian packaging activities three months ago for $130m, and the latest agreement brings the cash raised from asset sales to $800m over the last two years.

With interests in insurance and energy as well as paper and packaging, Continental has recently suffered from a poor stock market image, and has been trading at less than book value. The company said that it would be using part of the proceeds of the forest products sale to buy in about 6m of its ordinary shares at around $48 a share, with the rest of the proceeds going to reduce debt.

The businesses sold represent about 50 per cent of Continental Group's revenues from forest products, which amounted to almost $980m last year. The group is retaining a wide spread of interests, including a bleached paper board mill, 1.45m acres of timberland, and nine sawmills.

● Diamond International, the U.S. forest products group controlled by Sir James Goldsmith, the UK financier, has signed a letter of intent to sell its retail lumber and building products division for $120m to Michigan General, a diversified U.S. holding company.

The planned sale is the latest in a series of disposals by Diamond, which was acquired by Sir James Goldsmith's interests last December in a $545m deal.

IN BRIEF

● PUGET SOUND Power and Light Company is to scrap its Skagit Hanford nuclear power project in Washington state in the north-west U.S.

● USAIR, the Pittsburgh-based regional airline, has ordered five new Boeing jets worth $330m. It also reported a 40 per cent surge in first-half earnings to $28m.

● REPCO, the Australian automotive products group, reported a sharp drop in attributable profit to A$8.6m ($16.4m) in the year to June 30 against A$31.6m in the previous year.

● NITTOH KOEI, a property company in the Tsui group, has applied in the Tokyo District Court for protection to reconstruct itself after declaring it has debts of Y32bn ($130m).

● GENCOR, South Africa's second largest mining house, is to acquire a controlling interest in Tedelex, the consumer electronics and household goods manufacturer. Gencor is to buy control from Mr Bennie Slome, whose family's holding company holds 45.8 per cent of Tedelex's ordinary shares.

MANAGEMENT : Marketing

EDITED BY CHRISTOPHER LORENZ

Brian Davies: Canvassing "on the knocker"

Surviving by the seaside

Ian Hamilton Fazey on how an ingenious marketing strategy saved a small hotel

BRIAN DAVIES was once a successful sales manager. Then he found himself plunged into running his own small business. Gone were the secure salary and the company Cortina. As he puts it himself: "When I bought this place I was merely penniless; now I owe thousands and thousands."

"This place" is The Rothesay, a middle-market, 23-bedroom private hotel by the sea at Llandudno in North Wales. It is really two businesses in one, for it has a separate restaurant in the basement. When he and his wife, Anne, took over five years ago, the enterprise was well on its way to becoming insolvent.

But what Davies did to stop the enterprise going under was to devise a marketing strategy—both short and medium term—which was subsequently to prove that the big company techniques he had learned and practised in his previous job could be applied to a much more modest business.

The hotel had been owned by his wife's parents, but they had tired of the grind of the business. Suddenly, as the 1978 season loomed, they decided to get out. Davies, who was then 31, and his wife gambled everything and took over, committing themselves to a financial package that put them £55,000 in debt.

There was just not time for Davies to do what he was always good at: going out to find new customers. He was not even sure he knew how to for the hotel business.

So in 1978 they spent the summer learning the ins and outs of day-to-day operation while the hotel took £20,417 and the restaurant £14,826. Bar and miscellaneous revenues put total turnover at £37,925. The Rothesay lost a great deal of money.

Davies knew that he had to practise—with himself as the "target"—what he used to preach to his salesmen: don't panic, analyse a target's business, find the easiest routes to increase numbers of customers at competitive prices, and thus jack up turnover as far as possible past breakeven.

Davies stepped back and gave himself and his business the most objective examination he could. Two key areas of potential growth stuck out: the restaurant, and inclusive package holidays sold by coach operators using his hotel as a base for seven-day North Wales tours. Four-fifths of past packages had been bought by old age pensioners.

The restaurant pulled in passing trade, but how to promote The Rothesay to the coach operators, who had brought in 64 per cent of the hotel's turnover? What Davies saw as his first objective was to double the numbers of coaches and get the proportion of hotel takings they represented up to 75 per cent.

He started by defining the market, obtaining from the Welsh Tourist Board a list of 400 coach companies operating tours into North Wales. He then started segmenting this, eliminating large operators for whom he would be an insignificant entry in a ledger, and picking other small businesses, preferably family-run, which would have a lot at stake with every coach load and lots of local goodwill to defend.

Then he started segmenting these by areas, picking the more affluent parts of the country "where people have been used to spending money all of their lives." He came up with places like Worthing, Brighton, Gloucester, Cheltenham, Southampton, outer London and Luton.

He was surprised to find that people retired to the South Coast should be willing to spend up to £100 a week to go to Llandudno for their holidays, but they do. He says: "In fact, senior citizens with both occupational and state pensions are usually not short of money. Their living expenses are not high and many go on holiday several times a year. Their week in North Wales is usually their second-string break."

He added other areas from the most frequent addresses in the hotel register — the Potteries, Derbyshire, Yorkshire and Northumberland.

Then he did what is still highly unusual in the world of small hotels. He spent the winter going out cold canvassing "on the knocker."

He says: "The coach operators were surprised and delighted. I had brochures, rooming lists, sample menus and tourist information in a little presentation pack."

With room for 45 people, he only needed a coach load per week to be full up. Spread over the season, it meant converting about 10 per cent of his cold calls. While it was hard work, he did not regard it as difficult.

In 1979, coach business was 98.5 per cent up and 75.5 per cent of hotel takings. Total turnover rose to £54,134 and the Davieses and their Natwest bank manager, David Roberts, started breathing again.

The next winter he improved street access to the basement restaurant, did up the outside and transformed it into a fast food burger bar cum pizza parlour cum coffee house. In 1980 its turnover rose by 51 per cent and although there were a couple of coach cancellations as recession hit, total revenue rose to £60,816.

In 1981 he worked on consolidating both arms of the business. They did equally well and turnover was £64,844, boosting profits, despite having to employ up to nine people in peak weeks.

The strategy for 1982 was to extend the season from its previous 17 weeks into the 20-22 range. This proved far-sighted: bad weather made it a bad year all over North Wales and the casual trade needed by the restaurant fell by 12 per cent. But coach party sales reached £40,997 and total revenue peaked at £73,950.

When this year's season ends with September, he does not expect to show much growth, despite the good summer. Recession has cut down the numbers on each coach and Davies does not tie the operators to a minimum take-up of rooms.

He says: "They are small operators like me. It's just as important to them to fill their coaches as it is to me, so I don't push them. It's an easy arrangement that generates a lot of goodwill. I'm usually the last one they will think of cancelling."

Davies's business is now regarded as a model by his bank and he is even thinking of whether to do some small business consultancy. Last winter he went to Florida to learn how to fly. But such activities might on the other hand cut down on what he calls his winter research and development programme—staying in all sorts of hotels around the country to see if he is missing anything.

Advertising

A forward look from the past

BY FEONA McEWAN

IN A business which has its eyes fastened on today and tomorrow, there's little time for backward glances. The past, in advertising terms, is regarded by many practitioners as dead as the dinosaur. That so far has been the sorry fate of the vast acreage of copy and graphics that make up the British ad industry's illustrious heritage. Campaigns come and go. But where to? There is very little chronicling in this relatively young industry. But if the History of Advertising Trust continues its dogged path, that is about to change.

The Trust was established by a handful of enthusiasts in 1976 as a registered educational charity. Its aims were to research, preserve and document business records from around the country which bear witness to the role down the years of advertising and, to some extent, marketing.

Only now, from a sound financial base and with the backing of most of the ad industry — some agencies, though, are proving slow to respond—is it ready to open its doors. This month, HAT moves into its first permanent home, alongside the Advertising Association, whose official archive it is.

"No archive has existed like this one before," says Gordon Brunton, the president. "No one has been ensuring that this material survives. It exists in private hands, newspapers, companies and so on, but there's been no organisation ensuring its understood value."

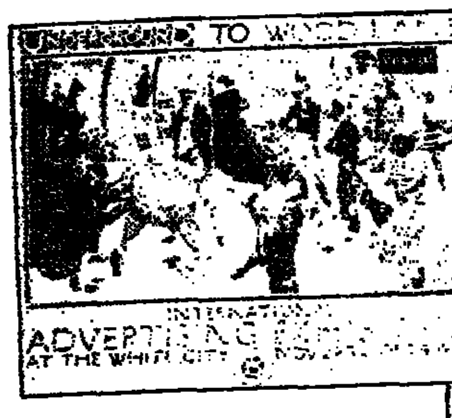
In his forward to the HAT-commissioned book, Advertising in Britain*, by Dr Terry Nevett—an admirably scholarly account of the industry—Brunton lays the case for the existence of an archive and for its relevance to today's business world.

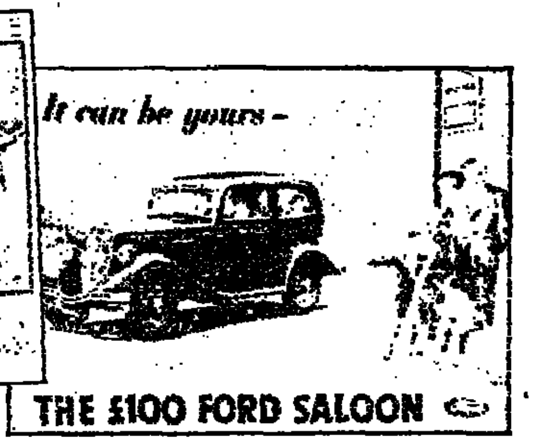
Lessons can be learnt, he believes, from past marketing successes and failures; truer perspectives given to current arguments. "We can illustrate achievements through advertisements and their effect on the economy and on society. We can assess the contributions of marketing and advertising to the developments of the economy and of business techniques and practices."

So this is no pretty resting place for nostalgic memorabilia, mere collectors' items (though there will be those aplenty) but a living reference library of ad times past. It's a tall order, and it falls to ex-Times archivist Gordon Phillips to ferret out relevant material from all the commercial corners of the country. "Chipping at the rock face," he calls it.

It's surprising, he says, how few companies take stock of their advertising and marketing heritage. About a third of the 400 leading commercial organisations so far contacted appear to have kept no records. The statutory 30-year rule of silence (from the date of creation) on campaigns will, of course, be observed, though it is hoped to then reveal the strategy behind the work.

* Published by William Heinemann, price £12.50.





Old ads like these now have a permanent home

Now ads can reach out and touch you

MAGAZINE ADS in 3D, with messages that appear literally to reach out from the page to grab you, may sound far-fetched. However, now that holography, the sculpturing of light, is going commercial, this is one illusion that could become a reality as early as the New Year.

This is the view of George McCallough, marketing director of one of the leading exponents of holography in the UK, Light Fantastic in London's Covent Garden. He describes it as "one of the most exciting marketing tools to emerge from the laboratory this century."

The concept of reconstructing 2D visions by means of light into 3D images was first conceived in the UK in 1947 by Dr Dennis Gabor who won a Nobel Prize for his efforts in 1971. It is in the past six months or so that this mystifying visual aid—observers have been known to walk all round a holographic poster—is taking its first steps down the commercial road.

Curiously, it tends to be companies themselves which are taking the initiative in experimenting with holograms rather than their advertising or promotional agencies.

London Transport has broken new ground by introducing two holographic posters, currently intriguing commuters on the Underground. One poster in Leicster Square for Gulf Multi G oil shows a hand not quite clasping a can of oil and the other, advertising a holography exhibition, is sited at Piccadilly Circus. "There's a great deal of interest in the holograms.'" says Alyn de Casembroot, London Transport Advertising's marketing manager. "We are interested in all new technological developments relating to advertising. I don't think this means an Underground full of holograms in coming months but I can see the day when, say, a man-sized bottle of stout is slung over the escalator (safety permitting, of course). The technology is all there."

Gulf is now following this up with holograms sited in four of its main petrol stations. Reaction from motorists and the trade as well as sales are being monitored carefully to see if it's worth making them a permanent feature. "We'll try anything once," says UK advertising and sales manager Raul Casares.

McCullough believes the biggest hurdle is creative input. "Most designers are trained in 2D and are perhaps inhibited by the third dimension," he says. Prices start at around £900 for the negative-like "master," from which copies can be taken at a fraction of the cost.

Advanced Holographics in London's New King's Road, now in its third year, reports being "bogged down" with commissions ". . . from all sorts of companies." The company specialises in large holograms, starting at around 30 by 40 centimetres for which a client will need to part with around £2,500. It is currently engaged on a major project for Coventry Cathedral involving a series of 12 holograms representing the Stations of the Cross. Applications of holography for press publication, using an embossed process on to plastic film for mass production have taken the form of covers for Amateur Photography magazine, and record sleeves for the pop group UB40. In the U.S. a recent promotion by Hershey, the chocolate people, took the form of two-inch holograms of the film ET—the then "flavour of the month"—on giveaway chocolate bars.

F. McE.

TECHNOLOGY

EDITED BY ALAN CANE

Communications

Philips to make telex in Sweden

PHILIPS HAS attacked the advanced telex machine market with the announcement of PACT 250, to be made in the company's Swedish plant at Jarfalla.

Like many of the machines that have come on to the market in the past few years, PACT 250 virtually separates the message preparation function from the transmit/receive function.

While the operator continues undisturbed with the preparation and editing of messages on screen or printer, previously prepared messages are transmitted automatically, either in sequence or at predetermined times. Similarly, incoming messages automatically enter the buffer memory to be printed out later.

The machine has a memory that can store about 120 messages of average 70-word length, expandable in two steps to over three times this amount. It offers many of the customary word processing facilities including the insertion and deletion of text, copying or moving from one message to another, and a search function.

Furthermore, the machine, like most of its contemporaries, does not require a formal telex room since it can be used by secretaries after little training.

Philips expects PTTs to be the main purchasers for use in the telex networks at 50 bits/sec. But PACT 250 can be used in private networks at speeds from 75 to 300 bits/sec.

More from Philips Elektronikindustries AB, S-175 88 Jarfalla, Sweden.

WIND ENERGY FINDS NEW FAVOUR IN THE NETHERLANDS AS A NATIONAL PLAN IS FORMED

A breath of life for wind power

BY JOOST VAN KASTEREN

SMALL, modern wind turbines of up to 20 kW installed capacity are beginning to complement the traditional wooden-sailed windmills on the Dutch skyline as Holland presses ahead with plans to become once again number one in windmills.

Its plans include:

- The development of medium sized turbines of up to 0.5 mW installed power. Electricity generating companies are developing an experimental turbine park in Sexbierum in the northern province of Friesland with a planned installed capacity of 10 mW to be delivered by 24 medium wind turbines.
- A project to develop a massive prototype wind turbine with an installed capacity of 3 MW, being carried out jointly by the department of economic affairs and industrial companies such as Holec, Fokker and VMF-Stork.

Turnaround

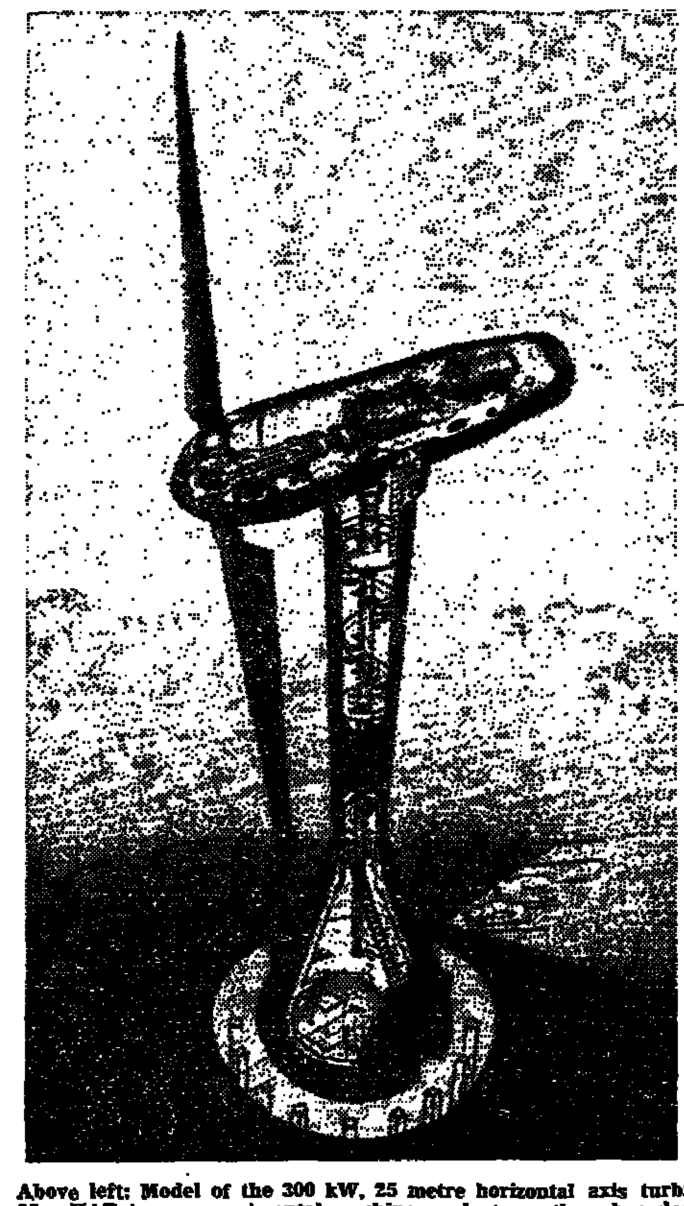
All this activity indicates a remarkable change of heart by the government, industry and the electricity generating companies which only a few years ago had consigned windmills to the limbo of the "alternative society."

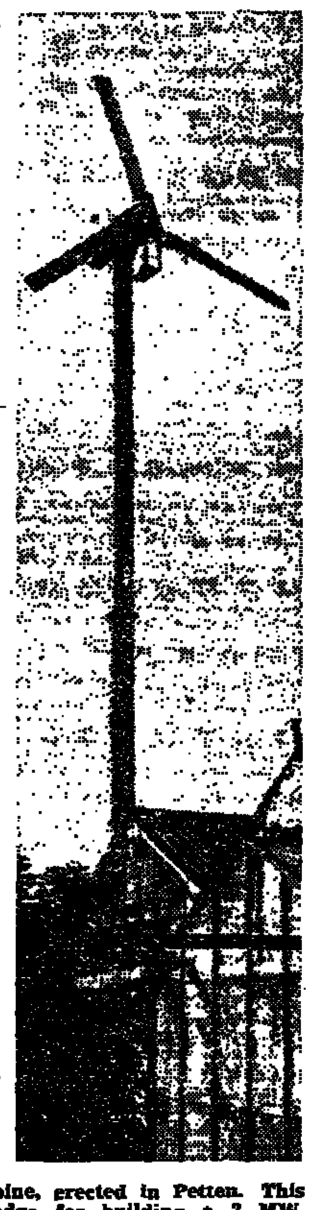
Now Government investment in turbines alone amounts to £7m and individual users can get Government support amounting to 40 per cent of the investment costs.

Within a few weeks the Dutch Government is expected to publish its views on a wind-and-water energy scheme which is credited, at least in part, with having forced through the change in attitudes.

Attributed to the engineer, Lucas Lievense, and developed by a committee under the chairmanship of G. Plantema, former director of the Public Works Department of Rotterdam, the scheme envisaged a turbine each of three MW capacity. Part of the energy they produced would be fed to the national grid. The rest would be used to pump water into a reservoir 165 km square with 30 metre park of 1,000 wind turbines high walls.

The idea was that the water — 2,400 Mw of potential installed capacity—could be used as back-up if the wind refused to co-operate in turning the turbines.





Above left: Model of the 300 kW, 25 metre horizontal axis turbine, erected in Petten. This 25m HAT is an experimental machine made to gather knowledge for building a 3 MW, 50 metre prototype

Above right: A 15 kW small windmill used for a greenhouse in Nootdorp. After erection the windmill was chained up by the local council, exceeding height restrictions. Matters have been settled by now

The committee's report, Wind Energy and Hydropower, published in 1981, was heavily criticised. It had failed to take into account that the proposed site for the reservoir, in the Markermeer near Amsterdam, was an important recreational site.

It had not looked at other forms of back-up storage, like underground water storage and pressurised air. And the Department of Economic Affairs thought the scheme uneconomical.

An appendix to the report was published at the end of last year. Now Plantema envisaged a smaller reservoir 30 km square with a capacity of 1,200 Mw to back up the 3,000 Mw turbine park.

Costs were estimated at Fl 2.5bn for the reservoir and Fl 6bn for the turbines. The department of economic affairs believes that the committee's estimate of Fl 2,000 per installed kilowatt is too low, but this is contradicted by some of the industrial groups concerned.

The official government view is that by the year 2000, at least 2,000 Mw wind power capacity should be available, so a positive response to the Lievanse/Plantema scheme is expected.

The Dutch are also capturing wind power on a small scale using turbines rated at 10-50 kW installed capacity.

With the main market in agriculture, the Government aims to have 15,000 small turbines installed by the year 2000.

Demand drop

But demand for these windmills has fallen. Lagerwey and Van de Loenhorst in Kootwijkerbroek, a leading windmill maker, has seen demand fall for the first time since it was founded in 1979. Superficially due to the changes in the price of oil, this fall is also because small wind turbines require substantial capital investment. A farmer might have to spend Fl 75,000 which even with Government subsidies means a pay-back period of seven to 10 years.

"Too long" is the opinion of Henk Lagerwey. He believes the investment cost of a 15 kW turbine should be down to Fl 50,000 by the end of the decade.

Economies of scale is one reason, but the development of cheaper gears and gearboxes will probably be more important.

Handicap

The home market is also handicapped by the attitude of the electricity generating companies who charge 20 cents per kWh for back-up electricity but buy spare wind generated power at half that price.

And permission to erect a construction as high as a windmill is at the mercy of the local council.

The Dutch, therefore, see less developed countries as an important market for their wind turbines but are concerned by the problem of back-up, in countries where there is no national grid. A wind turbine in conjunction with a diesel generator is one answer.

Television

Germans opt for digital TV

WHAT ARE claimed to be the first production colour television receivers using digital signal processing will be unveiled by ITT's German company Standard Elektrik Lorenz at the International Radio and TV Show in West Berlin from September 2.

Seven very large scale integrated (VLSI) circuits have been used to replace some 300 conventional components and both video and audio signals are processed in digital form.

Immediate advantages are for the maker rather than the user since the set's electronics must be cheaper to make and assemble. The circuits should be more reliable however, yielding more stable pictures, and servicing should also be more straightforward.

In addition, such technology also means that the inclusion of other facilities in the set such as teletext and viewdata becomes much easier.

The sets will be sold under the ITT and Graetz labels and volume production will begin at SEL's main consumer products plant at Bochum during September. The company plans to supply VLSI boards to other TV makers in Europe, the U.S. and Japan.

CAD system

Talking machines

CALMANET has made its debut. Calma of Camberley says it is a network designed to provide a flexible communications environment for CAD/CAM and will support direct file transfers or batch processing. 0276 682021.

Machines

Turning waste into fuel

STRAW AND other waste materials such as office paper, sawdust, newsprint, textile waste and cardboard can be turned into compact, dense cubes at rates up to 10 tonnes/hour using some machinery developed by Bootham North Engineering of Worksop. It is claimed to be the fastest machine of its kind yet developed.

According to the company, some 6m tonnes of straw is burnt in the fields every year so that its new machine gives farmers the chance to put their straw to profitable use. The densified cubes, which have a 1.25 inch square section and are between two and six inches long (adjustable) can either be used by the farmer himself or sold to the public.

The machine, which might prove uneconomical for a small farmer over the short straw season, could possibly be acquired by a consortium of farmers and other interested parties with suitable waste materials.

BNE estimates that over a seven-year period the cost would amount to £7 to £14 per tonne and believes that with domestic house coal at about £100/tonne, the machine offers an attractive prospect. More on 0909 475192.

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ARAWAK TRUST SERVICE COMPANY LIMITED
P.O. Box 34, Douglas, Isle of Man

ASSISTANT FUND MANAGER

required for a leading financial services group specialising in the expatriate market. The applicant will be required to administer portfolios of unit trusts and fixed interest securities and must have several years' relevant experience. He or she will probably be aged between *27 and 35, will be used to working* unsupervised and will have some knowledge of micro-computers. Salary is negotiable and will be attractive to the right person.

Please reply to
FELINCRAIG FINANCIAL PLANNING LIMITED
26/27 Downing Street, Farnham
Surrey GU9 7PD

Investment Management

This is an opportunity to join a leading Life Office which has a fine record in the management of large funds.

- INITIAL RESPONSIBILITY is for the UK Equity Portfolio currently around £500m. An actuary is preferred but directly related experience and achievement is the essential requirement.

- REMUNERATION over £25,000 plus a car. Preferred age early thirties. City base. Career prospects are very good.

Write in complete confidence
to G. W. Elms as adviser to the Company.

TYZACK & PARTNERS LTD
SEARCH & SELECTION
10 HALLAM STREET LONDON W1N 6DJ

GENERAL MANAGER, FINANCE & ADMINISTRATION

NORTH WEST LONDON **c.£13,000 plus Car Fully Negotiable**

We are a medium sized and privately controlled company and have established ourselves as a profitable and rapidly expanding market leader as Supplier to Armed Forces all over the world.

The new General Manager will assume full responsibility for finance, management information systems and commercial administration in an exciting dynamic environment.

The successful applicant will preferably be a Senior Accountant and/or possess a Degree in Business Administration, be aged 30-35, and have a track record of achievement gained within a fast-moving commercial environment.

Only candidates who possess the qualities of leadership and management expertise required to make a major contribution to the company's general management and commercial matters at executive level should apply.

Please apply, in confidence, to:
MARVELFAIRS LIMITED
255 Ealing Road, Alperton, Wembley, Middlesex

Scrimgeour, Kemp-Gee & Co

Members of The Stock Exchange

Seek

INSTITUTIONAL EQUITY SALES EXECUTIVE

The candidate will have some years experience in Broking, or in Fund Management and will join an existing team. Preferred age 28–35. An enthusiastic, professional and hard-working approach to the task is a must. Career prospects are excellent, and competitive remuneration – including profit-sharing and other benefits – is offered. *Please write, in confidence, to:*

Ian Dipple, Scrimgeour, Kemp-Gee & Co.,
20 Copthall Avenue, London, EC2R 7JS

SENIOR LEASING REPRESENTATIVE

MULLIONWOOD LIMITED an established leasing company (a from Senior Finance Representatives age 30/35 years experienced in subsidiary of BRENGREEN (HOLDINGS) PLC) seeks applications arranging leases for high value motor vehicles and medical/dental equipment. Salespersons with extensive contacts in these sectors would be ideal.

A competitive salary will be paid, together with car and benefits. City office.

Please send full details to:—

MR. A. W. COOK
DIRECTOR,
BRENGREEN (HOLDINGS) PLC,
BRENGREEN HOUSE,
61, CHEAPSIDE,
LONDON EC2V 6AX.

EUROBOND DEALER **Salary Negotiable**
This small, but active International Bank wishes to recruit an experienced dealer to take charge of its Eurobond operation. Working under a Director the successful applicant will have total responsibility for all dealings both in the primary and secondary markets encompassing FRN's, Straights, Convertibles etc. Supervision of junior administrative staff is involved.
Please contact Richard Meredith

LEASE MARKETING EXECUTIVE **Salary £20,000-£25,000 + Car + Mortgage etc**
Due to expansion of their UK leasing division, an opportunity exists for an ambitious leasing executive aged c30 years to market the big ticket leasing services of this major international bank. A proven track record in negotiating, pricing and structuring leasing transactions in the £1-£10 million range is essential. Candidates must be well movitated, articulate and have gained experience within a merchant or international bank.

CREDIT ANALYST LEASING **Salary £12,000**
A major US bank's leasing subsidiary currently seeks a credit analyst. Applications are invited from either graduate bankers with at least three years company balance sheet analysis experience or leasing administrators experienced in processing credit applications concerning complex big ticket leasing transactions in the £1-£5 million range.

Please telephone or send detailed CV's to Brian Gooch/Jill Backhouse.
Applications will be dealt with in strict confidence.

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
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Telex No. 887374

An opportunity to play a key role in international Securities.

INSTITUTIONAL SALES AUSTRALIAN MARKET

LONDON — **HIGHLY COMPETITIVE SALARY**

INTERNATIONAL FIRM OF STOCKBROKERS EXPANDING THEIR AUSTRALIAN DESK

This vacancy calls for candidates aged in their 20's or early 30's, who have achieved at least 2 years' successful practical experience servicing institutional clients, gained either in London or Australia. A mix of both locations, having lived in Australia, will be a definite advantage. Responsibilities will cover the continued build up of business for institutional and substantial private clients on Australian industrial, oil, gas, and mining stocks. Close liaison will be maintained with a substantial and successful mining team. Periodic visits of up to 6 weeks duration to Australia will be necessary. The successful candidate will be expected to carve out a significant share of business in this market, backed up by excellent research, and where necessary, additional training will be provided. A highly competitive salary + bonus is negotiable, + contributory pension. Applications in strict confidence under reference ISAM 4200/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216

Opportunity for promotion within 6-12 months.

ASSISTANT SPOT DEALER

CITY — **£12,000 - £15,000**

LEADING INTERNATIONAL BANK, A PRIME NAME IN THE MARKET

We invite applications from dealers aged 22-25 who must have experience of the spot market preferably on the cable side in a bank. The successful candidate must be self-motivated and be able to work in a demanding yet stimulating environment. It is expected that the successful candidate will be promoted to full dealer status within 6-12 months. Initial starting salary is likely to be in the range £12,000-£15,000 and will be supplemented by a full range of banking benefits. Applications in strict confidence under reference ASD14990/FT will be forwarded unopened to our Client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON, EC2M 1NH.

Opportunity for ambitious U.K. Institutional Salesperson to switch to, train, visit and succeed in the Far East markets.

STOCKBROKING — INSTITUTIONAL SALES PACIFIC BASIN

LONDON — **HIGHLY COMPETITIVE SALARY**

EXPANDING FIRM OF INTERNATIONAL STOCKBROKERS NOTED FOR THEIR EXCELLENT RESEARCH

Applications are invited from candidates, aged 24-28, preferably University graduates, who have acquired at least 2 years' successful sales experience in either the U.K. or overseas markets. Responsibilities will cover advising and servicing between 15 and 25 institutional clients on the Pacific Basin markets (including a number of foreign institutions and brokers). A full training in these markets, where necessary, will be provided, thus ensuring a full understanding of the stockmarkets, and the implication of local political and economic situations. Presence, a strong diplomatic manner and the ability to write profitable business is essential. The successful candidate should be of sufficient calibre to be regarded as partnership material. A highly competitive remuneration package is negotiable, contributory pension scheme and free life assurance. Applications in strict confidence under reference SIS4199/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216

* Please only contact us if you are applying for one of the above positions.

Sales & Marketing Director

Automotive Parts — £25,000+

Our client is one of the largest suppliers of automotive components in Europe, part of a group with a turnover running into several hundred million pounds. The parts company successfully markets replacement components for both the parent group vehicle parc and other makes both in the UK, working mainly through distributors, and overseas where the group sells over half its original equipment production.

For this critical senior position they require a highly successful sales and marketing executive with considerable relevant experience, preferably in the automotive business. He or she must also be a skilled manager of resources who will play a full part in the overall direction of the company.

The remuneration and benefits package will attract high calibre candidates with the necessary broad business acumen.

Write with full personal and career details to John Graham, quoting ref: SMD/GL, or telephone for an application form.

Cambridge Recruitment Consultants
1a Rose Crescent, Cambridge CB2 3LL. Telephone: 0223 311316.

Young Professionals for Bank Marketing

Citibank, one of the major financial institutions in the world, operates in every corner of the globe, meeting its customers' requirements through the provision of a wide range of banking services.

Citibank is...

Citibank believes that in order to provide superior banking services we need to be close to where our customers are doing business.

We would like to recruit several young professionals to work at our offices in:
- Edinburgh
- Birmingham
- Manchester

to market our full range of commercial and merchant banking services to corporate clients.

If you are currently working in the banking, legal or accountancy professions and can demonstrate a successful track record of salesmanship and creative problem solving we are interested in hearing from you. You will probably have 5 years professional experience behind you, have a first degree and/or a MBA or other professional qualification.

The jobs attract a competitive salary, company car and valuable banking benefits including low-cost loans and mortgages, free BUPA and non-contributory pension fund. Relocation assistance will be given where appropriate.

If you are interested, please send your curriculum vitae to Lorraine Trainer, Group Personnel Officer, Citibank N.A, 336 Strand, London WC2R 1HB.

...expanding its regional presence in the UK.

CITIBANK

Loans Executive

c.£15,000

A small City-based, full-service merchant bank, which is part of a major overseas international commercial banking group, is looking for an executive aged 25-28 to join its Banking Division. He or she will be responsible for appraising credit worthiness, recommending terms, preparing facility letters and other loan documents. Initially there will be the opportunity for him or her to develop specialist property lending skills in an innovative environment.

The requirement is for a graduate with lending experience. A professional qualification would be an advantage.

A competitive salary around £15,000, which will depend on experience, will be negotiated for this progressive career opportunity.

Please send brief cv, in confidence, to J J Jennings, Ref: GM34/8332/FT.

PA

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Senior Lending Officer

– Major International Bank –

City — **c£18,000+benefits**

Our client is a major international banking group with an extensive network of branches and representative offices throughout the world. The steady growth in its UK and international lending portfolios has led to a requirement for an experienced lending officer to assume responsibility for existing client management and the development of potential new markets.

The appointment will be at the level of account officer and will appeal to candidates with a sound credit training, experience in client liaison and the ambition to succeed in the highly competitive area of corporate lending.

The position offers high rewards with considerable and stimulating future prospects. Interested applicants should write with full curriculum vitae to **Kevin Byrne, B.A., Banking and Finance Division, PO Box 143, 31 Southampton Row, London WC1B 5HY** quoting reference 3334. All applications will be dealt with swiftly and in the strictest confidence.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Unconventional Trade Finance/ Countertrade/Barter

Senior Executive

Following the U.S. Export Trading Company Act of 1982 and the establishment of Citicorp International Trading Company Inc, Citicorp International Bank Ltd, is significantly expanding its activities. This is an exciting development which has created an immediate opportunity for a senior executive.

As a member of a highly professional team based in London, you will be totally involved in the development and expansion of our Unconventional Trade Finance, Countertrade and Barter activities. You will personally be responsible for a region comprising Europe, Middle East and Africa but will be part of a global network working in co-operation with Citibank officers throughout the world.

Ideally in your mid to late 30's, you will be a graduate with extensive relevant experience in industrial and capital goods with a demonstrable track record of achievement. Familiarity with accounting and banking procedures would be an advantage. Fluency in at least one major European language, other than English, is essential.

An attractive compensation package will be negotiated which will fully reflect your professional standing.

Please write, enclosing a full c.v., to Morley West, Executive Director, Citicorp International Bank Limited, 335 Strand, London WC2R 1LS.

CITICORP

CLEARING BANKERS

Applications are invited from above average clearing bankers of around the grade IV level who enjoy both travel and meeting people. This is a challenging opportunity requiring first class appearance, self motivation, some lending knowledge and preferably full AIB. Candidates in the age range 23-31 should ideally be residing in one of the following areas:- North East between the Tyne and Tees, South East/Home Counties around Guildford/Tunbridge Wells and North London as far as Northampton/Oxford/Cambridge. For application form please telephone or write to Paul Trumble.

Jonathan Wren RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX 01 623 1266

FUND MANAGER/ INVESTMENT ANALYST

A leading Scottish Financial Institution based in Glasgow is seeking a Fund Manager. The successful applicant will be involved in Pension Fund Management and to a lesser extent a Private Client Service. Applicants should have several years experience in a Fund Management capacity. Research experience within the U.K. and overseas markets would be an advantage.

Candidates will have a degree and/or professional qualification and will probably be in the age range 30/40 years.

The position might also interest Investment Analysts wishing to make a move to Fund Management.

Salary commensurate with experience, non-contributory pension scheme and other staff benefits. Please write with full details of career and salary history to:—

Box 2040
RILEY/MCS RECRUITMENT LTD
Rex Stewart House
102 Berkeley Street
Glasgow G3 7LR

GREIG, MIDDLETON & CO.

INSTITUTIONAL SELLING

We are looking for an institutional salesperson to help service our broadly based institutional clientele from London. Applicants should have a minimum of two years' experience of fund management with a stockbroker or other financial institution. The successful applicant will join a small team led by a partner and closely supported by our experienced research analysts. The preferred age is 25-35 and remuneration will include a competitive salary and other benefits.

Please apply in writing to:

Norman Andrews, Administrative Partner
GREIG, MIDDLETON & CO.
78 Old Broad Street, London EC2M 1JE

All replies will be treated in the strictest confidence

MANAGING DIRECTOR

International Co., with turnover in exces of £200 million seeks a Chief Executive with strong General Management experience whose career has been oriented in Marketing/Sales. We are a rapidly-growing, highly-profitable company and need the unusual person who can further develop our succesful growth pattern. This position is headquartered in London. For immediate consideration, send C.V. to:

G. Dritsas, 16 Mary Street, Suite 11, San Rafael, California, 94901, USA.

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY

RATE £31.50

PER SINGLE COLUMN CENTIMETRE

(Min. 3 cms.)

Accountancy Appointments

Group taxation manager

London, c£17,000+car

C&L

For a major quoted British industrial group with substantial overseas interests.

Reporting to the Group FD you will manage a small department and primarily be responsible for ensuring that the group's worldwide operations are planned and managed with a view to maximum tax efficiency.

This post should be attractive to a qualified accountant (man or woman) in the mid to late twenties who has specialised in taxation for the last two or more years either in a professional office or perhaps at assistant manager level in commerce or industry.

Résumés including a daytime telephone number to R C Henry, Executive Selection Division, Ref. H034.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Director of Accounting

Leisure Industry

Central London

£25,000 + car

The group is a newly-formed division of a major British multinational. The component companies are successful and well established, providing a comprehensive range of leisure and entertainment facilities and services. The division is large in its own right, with over 200 locations, sales well in excess of £100 million and exciting potential for growth.

The job is a new one: to bring together three separate accounting departments with around 150 staff in different locations to create and lead a responsive and well-motivated finance team. The task will require outstanding technical, man-management and inter-personal skills. Success will offer exceptional potential for career progression.

The need is for a qualified accountant with experience of managing change successfully in a large, preferably multi-location, environment. An appreciation of management information requirements and experience of sophisticated computerised systems, together with an ability to set objectives and achieve them, is essential. Energy, enthusiasm and the skill to communicate effectively at all levels are also required.

Please reply in confidence giving concise career and personal details and quoting Ref. ER632/FT to I D. Tomisson, Executive Selection.
Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Deputy Financial Director

Building & Development c. £14,000 + car · East Midlands

Our client, one of the most important development companies in the East Midlands, carries out high quality developments for both the public and private sectors in the Nottinghamshire and surrounding areas.

The company now wishes to appoint a mature, qualified Accountant to assist and ultimately succeed the Financial Director.

Responsibilities will cover all aspects of accounting routine as well as cash flow forecasting and control, budgetary control, grant submissions, insurance and feasibility studies. The small but streamlined accounts department operates its own computer, on which most accounting systems are already based.

Candidates should be aged in their 30's and qualified to FCA level. Previous experience in building, construction or civil engineering work would be a considerable advantage.

An attractive remuneration package will include a company car and relocation assistance as appropriate.

Write or telephone for an application form or send detailed cv to A.E.N. Buckley, as adviser to the company, at the address below, *quoting ref. AA52/8353/FT on both letter and envelope.* Please advise us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission.

PA

PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791 Telex: 337239

A leading Canadian owned multi-national seeks...

EUROPEAN TREASURER

Home Counties **£18,000-£21,000+ car+benefits**

This is an excellent opportunity to join a major North American company having a diverse range of high-technological activities throughout Europe and the UK.

Reporting to the Group Treasurer in Toronto, the successful candidate will work in close liaison with the European Controller and will be responsible for the European Treasury function.

Candidates should have the necessary personal qualities to operate effectively at the highest levels, and will demonstrate a creative and positive approach to problem solving. Previous treasury experience gained in either industry or banking is essential.

Applications in strict confidence should be submitted to Richard Norman FCA or R. N. Collier at our London address quoting reference number 3991.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS

Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

DLA

Financial Accountant

–Chief Accountant Designate

Sundstrand Hydratec is a highly successful American organisation that manufactures hydraulic pumps and associated equipment and employs some 580 people.

Based in Swindon, UK turnover now exceeds £13½m and our rapid growth in the marketplace has placed increasing importance on efficient systems controls and the provision of regular, concise management information.

To ensure we meet these vital business objectives and to strengthen our finance team we now wish to appoint an ambitious Accountant with the potential to assume Chief Accountant status within 2 years.

Aged at least 30, you will be a qualified Accountant – ACA, ACCA – with sound relevant industrial experience preferably gained in an engineering environment and have a knowledge of Pension Funds.

Responsibility will be comprehensive and will ultimately have a considerable impact on the strategic aspects of the business. You will supervise the work of a busy financial and general accounts function responsible for financial planning and control, for reporting to tight time schedules, for providing product costing/profitability information and ad-hoc projects for senior management. You will also be required to act as Secretary to the Pension Fund.

A five figure salary will be negotiable according to age and experience and there are particularly good terms and conditions of employment. Generous relocation assistance will be given where appropriate.

Please write with full details of age, experience, qualifications and salary to: The Personnel Director, Sundstrand Hydratec Limited, Cheney Manor, Swindon, Wiltshire SN2 2PZ.

SUNDSTRAND **Sundstrand Hydratec Limited**
unit of Sundstrand Corporation

FINANCIAL CONTROLLER

London c £22,000+car

Part of a substantial multi-million pound group and one of the most respected names in its market sector, the Company is involved in fast-moving, world-wide trade, enjoying a period of rapid expansion and excellent profits.

The Company now seeks to appoint a Financial Controller who will assume total control of the financial function and play a major role in the day-to-day management of the business.

The position calls for a qualified Accountant, probably aged 30-38, with sound all-round financial experience, including overall responsibility for the financial function in an autonomous division or company, ideally within the food industry. Strength of character allied to professional competence are the principal qualities sought.

Salary is negotiable around £22,000 plus car and a full range of benefits. Prospects for further advancement are excellent. Interviews will be arranged in London and Solihull.

Please send in a detailed curriculum vitae or contact us for an application form:

Vincent Lyddieth

PERSONNEL SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ
Telephone: 021-705 7399 or 021-704 2851

Financial Accountant

***Aged 24-28* to £13,000 + bonus + car**

Habitat, one of the greatest success stories of modern retailing, has recently joined forces with Mothercare and acquired Heals. Expansion and success produce career opportunities and you will be stepping into the position vacated by the newest and youngest Financial Controller in the Group – testament to the policy of promoting from within. You must be qualified, with at least two years post-qualification experience in industry or commerce in a computerised environment, involving staff control and broad financial accounting, including responsibility for the preparation of annual accounts. The position is located at the Head Office in Wallingford, Oxfordshire and the benefits package includes relocation expenses, a guaranteed bonus and, after one financial years service, entry to a profit share scheme involving company shares.

Telephone 01-247 9431 (24hr service) quoting Ref. 0486/FT Reed Executive Selection Limited, 122 Whitechapel High Street, London E1 7PT.

Good design at good prices **habitat**

Finance Director

Royal Ordnance Factories

Ministry of Defence

The Ordnance Factories will become a Companies Act Company through legislation planned early in the present Parliament to provide for the injection of public capital into the organisation. The 11 factories employ some 18,000 people involved in the manufacture and sales of a wide range of high quality defence equipment and munitions. Sales turnover in 1982/3 was £448.5m with trading profits of £68.8m.

It is intended to appoint to the ROF Board a Finance Director with industrial or commercial experience, responsible to the Chairman. This is an unusual and challenging opportunity for an experienced accountant to play a leading part in transforming this major and successful production organisation into a rounded commercial unit in preparation for flotation under the Companies Act.

Initially the Finance Director will be employed in London on terms of a period appointment in the Civil Service at a salary of £33,350 (£34,550 from 1st January 1984), without other benefits. When the organisation has acquired the status of a company, the compensation will be open to negotiation under the new terms of employment.

Candidates (probably aged 35-52) should have a proven record of success in accountancy in the private sector and capital management, together with strong leadership qualities, negotiating skills and administrative abilities.

Please write in confidence, giving concise career and personal details, to: The Managing Director (Ref. FHA/44), Boyden International Ltd., 148 Buckingham Palace Road, London SW1W 9TR. Tel: 01-730-5292

BOYDEN

Financial Controller

Slough c.£14,000 + car

Following a planned policy of decentralisation a new opportunity exists for a commercially aware, qualified Accountant to join a division of this leading UK Group involved in the manufacture of printing inks, paints, chemicals and coatings.

Reporting to the Divisional Managing Director you will be responsible for all day to day accounting and administration including budgets, profit and loss reports, operating statements, cost centre reports and product line profitability.

Probably aged 27/35 you will have the strength of character and personal commitment necessary to make and implement decisions thus gaining the full confidence of the MD.

Please apply in writing showing how you meet our requirements to:
Mr J.T.B. Crouch, Personnel Manager,

Ault & Wiborg Ltd

71 Standen Road, London, SW18 5TJ

FINANCIAL CONTROLLER

NORTHWEST

Salary circa £20000 pa

The Holding Company of a number of successful medium-sized Construction Companies requires the services of a highly experienced qualified Accountant who has had at least five years' experience in a managerial position.

The successful applicant will have spent a major part of their career in Civil Engineering or an allied industry. Ideally, the applicant will have experience in dealing with Banks and Financial Institutions, ability to control and up-date computer systems, to produce statutory financial accounts and to supervise and develop the accounting and control functions of the subsidiary companies.

It is unlikely that a person under forty will have the necessary experience. The applicant will report directly to the Financial Director who will be retiring shortly.

The successful candidate will be provided with a car appropriate to their duties as a senior executive and relocation expenses will be reimbursed if applicable. The company operates an attractive Pension Scheme.

Reply to Box A8274, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Group financial controller

London, c£20,000, car + bonus

C&L

Responsible to the Group Financial Director, at the centre of a successful and expanding public group, you will ensure that all statutory and management reporting requirements are met. In addition there will be an emphasis on the maintenance of sound financial controls, business planning and performance monitoring and you will be expected to contribute at subsidiary company Board meetings.

A qualified accountant, probably in your 30s, you should combine initiative and energy with a record of achievement in the manufacturing sector. Ideally you will have previous experience at the head office of a public company.

Résumés including a daytime telephone number to R C Henry, Executive Selection Division, Ref. H028.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

FINANCE DIRECTOR

LONDON c£20,000

Games Centre is a fast-growing retail company with turnover in excess of £4 million.

We are looking for a dynamic, top-level, qualified accountant to join our management team and contribute to the efficient and profitable running of the company.

Responsibilities include overall financial control, budgeting and budgetary control, management information systems and financial negotiations.

Age is not important but 28-45 preferred. Retail experience would be an advantage. Ability to utilise computerised accounts systems essential.

Enthusiasm, commitment and compatibility are important as is ability to manage people, take on responsibility, use initiative and apply commercial acumen.

A share option is possible at a later stage.

Apply in strictest confidence, with curriculum vitae, to:—

Graeme Levin, Managing Director
GAMES CENTRE LIMITED
22 Oxford Street, London W1A 2LS

Accountant

c.£15,000
Lloyd's Syndicates

Our client is a leading underwriting agency managing several syndicates. Due to a broadening of responsibilities within the company, they now require an experienced accountant. He or she will be responsible, with a small team, for the financial administration of the syndicates. The company, which is based in the City, has its own computer and the successful candidate will be involved in the development of systems to provide management information.

Candidates will probably be aged around 30 and ideally will have experience of Lloyd's accounting practices. This, however, is not essential and we will readily consider adaptable people with a real interest in the insurance world.

Our client is offering an attractive salary and a range of benefits, including an above average pension and life assurance scheme, free medical expenses scheme and luncheon vouchers. There is also a discretionary bonus scheme.

Please apply to Sir Timothy Hoare, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG, tel: 01-242 5775.

Career plan LIMITED

Personnel Consultants

YOUTH HOSTELS ASSOCIATION

Management Accountant

Around £15,000 per annum (negotiable)

The Association seeks an interested and qualified accountant with several years managerial experience to develop its accounting systems and overall financial policy.
The YHA manages over 250 hostels throughout England and Wales, of a replacement value in excess of £50 million, through Regional Offices and a Central Administration with total turnover beyond £6 million.
The post advertised is based at St. Albans with the holder responsible to the National Secretary.
Job description and application forms from

National Secretary, YHA,
Trevelyan House, St. Albans, Herts. AL1 2DY,

to be returned within 2 weks of the date of this advertisement. Interviews in London as soon as possible thereafter.

If further details required please ring
Mr. Livingstone on St. Albans 55215.

Financial Director

Manufacturing
W.Midlands c£20,000+car etc.

The U.K. subsidiary of a major multinational is being restructured in a manner which will give it far greater autonomy and the opportunity for real growth and profitability.

The appointment of a Financial Director/Co. Secretary is a new one and will head a department of some 40 people. Candidates should be no older than 45 and must be professionally qualified accountants with several years industrial experience culminating in a current position as controller/director of a company which is preferably independent. However, experience of relating to U.S.-style management is important together with experience of treasury work, strategic planning, profit forecasting, risk assessment, data processing and above all a proven ability to manage people.

The company is already a market leader in its particular sector of capital equipment and has a strong brand image. Future prospects are therefore excellent and include an opportunity for equity participation.

Applicants, male or female, should either write or telephone quoting reference B2192.

Peter Nurse
Mason & Nurse Associates
126 Colmore Row Birmingham B3 3AP
Tel: 021-236 0066.

Offices in London & Birmingham

Mason & Nurse
Selection & Search

Creative Accounting

Central London c.£12-14,000

This is an outstanding opportunity for a young graduate qualified accountant to play a creative role in an established British group with diverse worldwide interests.
As a member of a small central team which interprets group information and advises on all financial aspects of its operations, your stimulating and challenging tasks will embrace acquisition appraisals, profitability studies, group planning and forecasting, efficiency reviews and special reports for board presentation — all for specific purposes with a minimum of routine.
Excellent promotion opportunities will arise through working closely with senior management of all disciplines, both at holding company and subsidiary level.

Contact David Tod, BSc. FCA on 01-405 3499 quoting reference D11/CF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Financial Controller

Oil industry services

Central London

c.£18,000 + car

The company's style is tough and committed, yet informal. It is young, yet is already projecting a turnover of £2m for fiscal 1983. Its principal involvement is in supplying highly specialised engineering services, mainly to North Sea operators. A large contract, recently won, has enhanced considerably the company's profile and potential and, together with other business developments, should see it well placed for the future.

The demand from operating management is for a Financial Controller. The role has two urgent priorities: to minimise the likely year-end tax liability and to devise and implement effective and responsive contract cost controls. Beyond this, as a central part of the management team, there is a requirement for a consistent, commercial and profit motivated input to every aspect of the company's activities.

Candidates must be qualified accountants with experience of working for the smaller, entrepreneurial company. Evidence of a broader, commercial involvement will be sought. Personal qualities of flexibility, commitment and enthusiasm are essential for success. Age indicator is late 20s to early 30s.

Please reply in confidence giving concise career and personal details and quoting Ref. ER629/FT to I.D. Tomisson, Executive Selection.

**Arthur Young McClelland Moores & Co.,
Management Consultants,
Rolls House, 7 Rolls Buildings,
Fetter Lane, London EC4 1NH.**

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Applicants, aged 30-45, must have considerable liquidation experience together with some exposure to Court related insolvency work, strong practice development skills and a high level of communicative ability. Membership of the IPA whilst desirable is not essential.
It is intended that after a brief induction in London, a two year period will be spent in Hong Kong with attractive longer term prospects available in either location.
The salary indicator, which includes a housing allowance, is negotiable and will not be a limiting factor.
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Candidates should write to **Allan Marks** enclosing a comprehensive curriculum vitae, quoting reference 428/1 at Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London, WC1B 5HY.

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INTERNATIONAL BANK ANALYST

c.£20,000

IBCA Banking Analysis Limited requires a senior analyst, who should be an accountant, M.B.A. or professionally qualified person, preferably with a background in financial analysis and/or in banking. IBCA is the leading company in its field, specialising in the rating of banks, and the position requires visits to international banks in order to conduct in-depth interviews at a senior level. A knowledge of one or more foreign languages, preferably including Spanish, would be advantageous. Salary c. £20,000 plus profit share.

Reply to: Box A8252, Financial Times
10 Cannon Street, London EC4P 4BY

Property Taxation Accountant

A forward thinking Property PLC Group is looking for a Qualified Accountant aged 30-45 who has specialised in corporate taxation (preferably with property background). The successful applicant will be expected to deal with corporate tax planning and all relevant taxation matters including the submission of tax computations etc.

An attractive salary package together with other benefits will be offered to the successful applicant.

Write with full details of career to date to:
Box A8272, Financial Times
10 Cannon Street, London EC4P 4BY

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

Thursday 22nd September, 1983

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 22nd September, 1983, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." Advertising rates will be £31.50 per single column centimetre. Special positions are available by arrangement at premium rates of £37.50 per s.c.c. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £45 which will include company name, address and telephone number.

For further details please telephone
01-248 4782 or 01-236 9763

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

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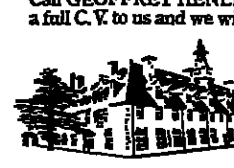
Although you are unlikely to be on your own, you will need to be self-motivating, resourceful and possessed of strong inter-personal skills in order to be totally effective. Naturally, you will welcome working overseas for at least half of your time.

Whenever possible corporate financial and EDP audit functions take an integrated approach. Some background in data processing would therefore be attractive; however it is not a pre-requisite.

In career terms the role is highly "visible" and can open many doors within this large multinational company.

Remuneration depends entirely on experience but with a benefits package which includes relocation, mortgage subsidy, non-contributory pension and much more besides, we are sure you will want to talk.

Call GEOFFREY HENLEY on the number below or on 0273 686472 outside office hours for an informal discussion. Alternatively, send a full C.V. to us and we will contact you.



INBUCON MANAGEMENT CONSULTANTS LIMITED
D. P. Recruitment and Contract Services,
Suite 'J', The Priory, Haywards Heath, West Sussex, RH16 4DG.
Telephone: Haywards Heath (0444) 458821 (24-hour answering service)

GENERAL APPOINTMENTS

INTERNATIONAL APPOINTMENTS

COMPANY NOTICES

COMPAGNIE FRANCAISE DES PETROLES

US$20,000,000 6% 1965/1985

The US$1,464,000 redemption due on October 15, 1983 has been made up to the amount of US$330,750 by purchases in the Stock Exchange and for the balance of US$1,133,250 by a draw by lot which took place on August 11, 1983.

Taking account of all previous draws, the following bonds have been drawn: No. 1603/2458 each of a nominal value of US$250; 9861/14489 each of a nominal value of US$1,000.

Outstanding amount after October 15, 1983: US$3,197,000.

Bonds drawn will cease to bear interest on October 15, 1983. Bonds presented for repayment must have their coupons as at October 15, 1984 and subsequent attached and will be paid according to conditions shown on the bonds.

Previous draws:
15.10.81:
No. 743/775 inclusive of a nominal value of US$250; 5376/5873 inclusive of a nominal value of US$1,000.
15.10.82:
No. 821/1602 inclusive of a nominal value of US$250; 778/4175 inclusive of a nominal value of US$1,000.

The Fiscal Agent
BANQUE PARIBAS
(LUXEMBOURG) S.A.

CHARTER CONSOLIDATED

LOAN OF FFR. 100,000,000
7.50% 1972/1987

The FFR. 5,000,000 redemption due on 1st October 1983 has been entirely met by repurchases on the Stock Exchange.

Outstanding amount after October 1, 1983: FFR. 66,000,000.

The Fiscal Agent
BANQUE PARIBAS
(LUXEMBOURG) S.A.

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

U.S. DLRS 30,000,000 FLOATING RATE NOTES DUE 1984

In accordance with the terms and conditions of the Notes, Notice is hereby given that for the six months period from August 31, 1983 to February 29, 1984. The Notes will carry an interest rate of 10 11/16%.

BANQUE INTERNATIONALE A LUXEMBOURG S.A.
SOCIETE ANONYME

SEPRO, SECURITY AND PROSPERITY FUND

Société Anonyme
Siège social:
Luxembourg 2, Boulevard Royal
R.C. Luxembourg B 8.453

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of shareholders of Security & Prosperity Fund SA. "The Company" will be held at 2, Boulevard Royal, Luxembourg, at 11 a.m. on 30th September 1983 with the following agenda:

AGENDA

1. Approval and ratification of an Agreement dated 5th August 1983 made between the Company and Save & Prosper International Growth Fund Limited (IGF), a corporation organised and existing under the laws of Bermuda, having its registered office at Thirty, Cedar Avenue, Hamilton 5, Bermuda, by which:
   (a) the Company will purchase shares in IGF having an aggregate asset value equal to the value of the assets to be transferred pursuant to (b) at a price per share equal to the net asset value per share in IGF calculated in accordance with the provisions of the Agreement at such date as may be agreed by the Company and IGF and,
   (b) the Company will transfer to IGF all its assets less an amount sufficient to meet all liabilities of the Company.
2. Dissolution of the Company and appointment of a liquidator.
3. Instructions to the liquidator to give effect to the above-mentioned agreement and to distribute shares in IGF to all shareholders of the company.
4. Suspension of the repurchase of the shares of the Company with effect on the last preceding valuation date of the Company.

Shareholders are advised that the meeting held on 31st August 1983 was adjourned for lack of quorum. At this meeting there will be no quorum requirement.

In accordance with Luxembourg Law, resolutions 1 and 2 proposed to at the Extraordinary General Meeting and at any adjournement thereof will require the concurrence of holders of 3rds of the total number of shares voting at the meeting. However, shares not represented at the meeting will be deemed to vote in favour of the proposed resolutions up to a maximum of one-third of the shares of the Company outstanding, and in addition the passing of such resolutions will require a simple majority of the shares actually represented.

Shareholders may vote at the Meeting by proxy by completing the form of proxy which is available at the head office of the company. In order to be valid, all forms of proxies must reach the Company at 2, Boulevard Royal, Luxembourg not later than 3 p.m. on 29th September 1983.

Copies of a circular letter dated 8th August 1983 to the shareholders of the company are available on request at the head office of the Company 2, Boulevard Royal, Luxembourg. In order to take part at the meeting on 29th September 1983, the owners of bearer shares will have to deposit their shares five days before the meeting at Banqu Internationale à Luxembourg S.A., 2, Boulevard Royal, Luxembourg.

For and on behalf of SEPRO
THE BOARD OF DIRECTORS

CREDIT FONCIER (Canada)

10¾% DUE ON SEPTEMBER 15, 1984

NOTICE IS HEREBY GIVEN that according to section 4.05 of the Trust Indenture (providing for the issue of 10¾% Notes due September 15, 1984) Banque Générale du Luxembourg (Suisse) S.A. in Zurich has been appointed as sub paying agent for the above issue as of August 15, 1983.

BANQUE GENERALE DU LUXEMBOURG
Luxembourg
As principal Paying Agent

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrants, and we have been asked to issue duplicate Warrants:

Warrant No. 338748—536/Lead Ingots —Brand: GLOVER—Weight: 24.971 Kilos, stored in Rotterdam.

Warrant No. 64894—577 Lead Ingots —Brand: BUNKER HILL—Weight: 25.461 Kilos, stored in Antwerp.

Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods, or the issue of duplicate Warrants.

C. STEINWEG N.V.
P.O. Box 1068, Willemskade 20,
Rotterdam, 8, Netherlands.

PUBLIC NOTICES

COMPETITION ACT 1980 NOTICE UNDER SECTION 3 (2) (b) Ford Motor Company Limited

Under Section 3 of the Competition Act 1980 the Director General of Fair Trading is to investigate whether Ford Motor Company Limited (Ford) has been or is pursuing a course of conduct which amounts to an anti-competitive practice.

The matters to be investigated are:

(a) *whether* in relation to any replacement body part Ford has been or is pursuing a policy or *practice* of not granting to any person (other than to members of the Ford group of companies or to persons supplying the corresponding body part to Ford or members of the Ford group of companies) a licence to manufacture or sell in the United Kingdom that replacement body part where Ford is entitled to *prohibit* such manufacture or sale by virtue of its rights arising by virtue of copyright in drawings or designs of body parts; and

(b) if it has been or is pursuing such a policy or practice, whether that is a course of conduct which has or is intended to have or is likely to have the effect of restricting, distorting or preventing competition in connection with the production, supply or acquisition of goods.

The goods to which the investigation relates are replacement body parts.

For the purposes of this notice: "body part" means any body panel fitted to a motor vehicle as standard equipment when sold new and "replacement body part" means any body panel sold as a complete or partial replacement for a body part:

"copyright" shall include copyright arising from the registration of a *design under the Registered Designs* Act 1949:

"members of the Ford group of companies" means, in relation to Ford, anybody corporate which is Fords subsidiary or holding company, or a subsidiary of Fords holding company and "holding company" and "subsidiary" for these purposes shall be construed in accordance with Section 154 of the Companies Act 1948.

If you have any information which you consider would help the Director General, please write to:

Office of Fair Trading
Branch CP4
Chancery House
53 Chancery Lane
London WC2 1SP.

Your letter should arrive as soon as possible if it is to be taken into account in the inquiry.

PERSONAL

LEGAL NOTICE

No. 001810 of 1977
THE COMPANIES ACT, 1948
IN THE MATTER OF
C. & C. PLUMBING CO. LIMITED

NOTICE IS HEREBY GIVEN that a First and Final dividend to unsecured Creditors is intended to be declared in the above-named Company and that those Creditors who have not already proved their claims are to come in and prove such claims on or before the 16th September 1983 after which date the Official Receiver and Liquidator of the above-named Company will proceed to distribute the assets of the said Company having regard only to such unsecured Creditors as shall then have proved their claims.

J. L. P. POPE,
Official Receiver and Liquidator,
Atlantic House,
Holborn Viaduct,
London EC1N 2HD.

CLASSIFIED ADVERTISEMENT RATES

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UK COMPANY NEWS

Babcock £5.77m ahead so far

FOR THE first six month of 1983 pre-tax profits of engineer and contractor Babcock International rose by £5.77m to £14.04m compared with the same period last year although turnover for the opening half showed a reduction from £486.53m to £476.97m.

A major contribution to the improved results was a £4.54m saving in interest charges which fell to £2.85m. Investment income added £9,000 (£884,000) and associates £1.45m (£1.57m).

The net interim dividend is being held at 3.4p per 25p share. A final of 3.6p was paid for the 1982 year which marked a turning point in the group's recent profit performance — pre-tax figures for the 12 months rose to £20.49m (£14.07m).

In his report Lord King, group chairman, says that economic activity registered a gradual but welcome upturn in some of the major industrial countries during the first half of this year.

He adds that the effects to date have been mostly confined to those sectors of industry involved in the manufacture and sale of consumer products and points out that, as yet, there is little evidence of an improvement in the demand for capital goods which invariably lag other industries in an economic upturn.

Accordingly, many of the group's markets have still to experience the benefits of economic recovery, although notable expections have been in the U.S. where an upsurge in new housing starts and vehicle production has generated increased demand for furniture hardware and automotive components to the extent that overall the North American group has returned to profitable operation.

With this initial recovery in areas which were worst affected by the recession in North America, coupled with the achievement of substantial savings in interest costs, Lord King says group has made encourageing progress towards improving levels of profitablility.

Attributable profits for the first half emerged at £8.63m, compared with £1.5m, after deducting £5.8m (£4.4m) for tax, £81,000 (£110,000) for minorities, £33,000 (same) for preference dividend payments and adding £500,000 (deducting £2.23m) for extraordinary items.

Activity in the UK power group continued at a satisfactory level and this business was again the principal source of profits in the first half.

The North American group also made a significant contribution to trading profits, recording its best interim results since 1979 despite a 7 per cent drop in turnover in dollar terms compared with the corresponding period last year.

Both Keeler and the Cable Controls operations responded to upturns in their markets with markedly improved trading results. The chain products group also returned to profit, although its markets, which include the steel and oil drilling industries, remained depressed. In contrast, the material handling group, which earned high profits in 1982, suffered this year from an inadequate work load and marginally failed to break even.

A lack of new business caused a reduction in the interim profits of Claudius Peters, the Australian operation, Triplejay in South Africa and the process control and instrumentation businesses, both in the UK and

Lord King, chairman of Babcock International

in the U.S. Trading results of the mining equipment and electrical distribution businesses of the industrial and electrical products group and the contracting businesses of the mechanical and process plant contracting group, the FATA European group and Babcock Engineering Contractors in South Africa, however, were maintained at levels similar to those in the first half of 1982.

The group's total value of uncompleted orders on hand at July 3 amounted to £1.23bn, compared with £1.36bn (£1.35bn at constant exchange rates) at the start of the year and £1.32bn (£1.37bn at constant exchange rates, excluding discontinued operations) at July 4 1982.

Lord King says the majority of the group's businesses have sufficient work in hand and in prospect at least to sustain current levels of activity through the remainder of this year.

In the U.S., car production for the third and fourth quarters is planned to exceed the numbers of units built in the corresponding periods of 1983 by 32 per cent and 61 per cent respectively to achieve an overall increase for the year of 35 per cent. At the present time, shipments of furniture hardware by Keeler are barely keeping pace with the extremely heavy demand and there are signs of a small improvement in orders for chain products and material handling equipment, the chairman adds.

Conditions in the markets for process control equipment and instrumentation give no indication of an early recovery, but, although currently short of work, these businesses in the UK have orders on hand to provide a good factory loading throughout 1984.

With few exceptions, most of the group's contracting operations are seeking orders for the longer term. In a number of areas the activity on enquiries is relatively high.

Babcock Africa, in conjunction with Babcock Moxey, has received an important order from ESCOM for coal handling equipment, valued at approximately R50m, for the Lethabo power station where Babcock Africa already has an order to supply and erect the six boiler units.

In terms of constant exchange rates, the group generated a cash flow of £9m in the first six months. Due to the effects of movements in exchange rates, however, aggregate borrowings, net of liquid funds, show a reduction of only £3.9m to £47.4m.

See Lex

Asda advances to record £77.4m

FOR THE 52 weeks to April 30 1983 Associated Dairies Group increased pre-tax profits from £60.78m to a record £77.39m, following the £4.54m rise to £33.1m at halfway. Full year turnover rose from £1.31bn to £1.52bn.

With stated earnings per 25p share up from 6.93p to 9.17p, the year's dividend is effectively raised from 2.325p to 3p net by a final of 1.75p. A one-for-three scrip issue is also proposed.

At the operating level, profits were ahead from £52.48m to £68.11m. Pre-tax results were after asociates' contribution of £98,000 (£25,000) and other income of £9.37m (£8.51m), while interest payable and other charges accounted for £186,000 (£235,000).

An analysis of operating profits shows: Asda stores £58.44m (£47.02m); Associated Fresht Foods £11.84m (£8.97m); Allied Carpet Stores £1.06m (£0.26m); Wade Departmental Stores £1.67m (£82,000); Ukay Furnishing Centres losses £664,000 (£1.16m); and miscellaneous trading profits £261,000 (£135,000 losses).

The tax charge increased from £26.8m to £32.22m and after extraordinary debits of £2.97m this time and minorities, the attributable surplus emerged at £42.17m, compared with £33.98m.

Depreciation was up from £14.77m to £16.64m.

In current cost terms, there was a pre-tax profit of £69.7m (£54m).

See Lex

GRE cuts underwriting losses and improves 40%

A 40 PER CENT improvement in pre-tax profits in the first six months of this year, from £35.7m to £50m, is reported by Guardian Royal Exchange Assurance, the second largest motor insurer in the UK.

Underwriting losses were reduced by more than 10 per cent from £40.4m to £36.1m, while net investment income rose by 11 per cent from £71.4m to £79.3m.

Net profits available to shareholders increased from £20.6m to £29m, following a tax charge rise from £13.7m to £19.2m. Earnings per share jumped from 13.1p to 18.4p.

The company is lifting its net interim dividend payment from 7p to 7.75p.

Net premiums on GRE's worldwide general insurance business grew by 11 per cent over the period from £479.3m to £533.1m, the underlying growth allowing for exchange rate fluctuations being 7 per cent. The underlying improvement in investment income, after allowing for exchange rate fluctuations, was 6 per cent. The strong rise in the underlying asset values resulted in the solvency margin rising from 67 per cent to 84 per cent.

The improvement in underwriting of the group over the period was held back by poor operating results in the UK, where underwriting losses rose from £20.7m to £22.9m despite the mild winter weather.

GRE's large motor account was affected by two major adverse features. The number of claims rose by 10 per cent over the period, with the increase in the second quarter being severe; and it lost business in the severe competition between motor insurers, so that premium income over the period dropped by 4 per cent — the first decline for over a decade. These two features sent underwriting losses on the motor account soaring from £7m to £12m. The company stated that a rate increase before the end of the year was inevitable.

The company was also hit badly in its liability business, with employer liability business being hit by the recession. The Householder account suffered from a larger than normal number of water damage claims which cost £4m.

A major improvement came in Canada where there was an impressive turnround in underwriting results from a loss of £3.9m last year, after reinsurance, to a profit of £700,000 this time. Business in South Africa also showed a strong recovery, but business in Australia was affected by bush fires which cost £5.2m and the cyclone which hit Fiji costing £1.5m.

Underwriting losses in West Germany were virtually unchanged, but reinsurance cut back on the net figures so that losses climbed from £2.8m to £3.6m.

The U.S. figures include the trading results of the most recent acquisitions and this accounts for most of the deterioration in underwriting in that country, with losses rising from £2m to £3.6m.

The problem territory for the group was the Republic of Ireland where underwriting losses soared from £2.5m to £3.5m—around one-third of the premium income of £10.2m.

The group had an exceptional year for new life business. New annual premiums climbed more than 70 per cent from £21.5m to £37.3m.

See Lex

Good Relations full listing

GOOD RELATIONS the public relations company which joined the Unlisted Securities Market in December 1981 has applied for a full listing on the Stock Exchange which should be granted on Friday.

It has almost doubled pre-tax profits in the six months to June 30 to £402,000 compared with £203,000 for the comparable period in 1982. Turnover rose from £1.57m to £3.32m.

Mr Anthony Good, the chairman, says that the company is large enough (pre-tax profits for the year to December 1981 when it came to the USM were £263,000) and he is sufficiently confident of the company's continuing growth to seek a full listing.

Good Relations usually performs better in the second half of the financial year. Mr Good warns that because of the particularly satisfactory profits earned in the first half shareholders should not necessarily expect that the profit for the second half will bear the same relationship to that of the first as in previous years, though he anticipates a satisfactory result.

An interim dividend of 1.5p net has been declared compared with 0.9p net in 1982 adjusted for the one-for-two scrip issue in May 1983.

Investment and other income mainly interest costs on cash of £1.47m—amounted to £69,000. The tax charge of £218,000 at a rate of 54.2 per cent brought profits after tax to £184,000. Earnings per share, according to the company, have doubled from 1.8p to 3.6p.

● comment

A healthy contribution to profits from the fees for the abortive Tilling defence plus some juicy new issues (two full listings, five USM newcomers) topped up interim profits generously to £402,000 from £203,000 for Good Relations. Its share price rose 10p to 210p yesterday. If the agency matches profits in the second half the shares are selling on a fully taxed prospective p/e of over 27, the kind of rating which is commonly found on the USM but which looks rather more demanding in the sober surroundings of the "Upper House." The company expects to continue expansion through internal growth; through buying in talent as with the acquisition for shares of Abel Hadden in May, and through overseas growth. Good Relations has a number of affiliates overseas and in time expects to make the occasional acquisition. It sees the U.S., Far East and Australasia as the most promising growth areas. While it ponders how to reduce its onerous £218,000 tax bill without heavy capital investment such as industrial property schemes, it is cutting some of its sizable £1.47m cash pile by buying new and larger offices in Russel Square for its growing staff presently numbering 95, up from 88 at the year end.

Yearlings total £16m

Yearling bonds totalling £16m at 10¼ per cent have been issued this week by the following local authorities.

East Lindsey DC £0.5m; Hackney (London Borough of) £1m; Wrekin (District of the) £0.5m; Bridgenorth DC £0.25m; North Hertfordshire DC £0.5m; South Pembrokeshire DC £0.5m; Taunton Deane BC £0.5m; Westminster (City of) £1m; Swansea (City of) £1m; West Glamorgan CC £0.75m; Edinburgh (City of) DC £2m; Highland Regional Council £1m; Charnwood BC £0.5m; Islwyn BC £0.5m; Kensington and Chelsea (Royal Borough of) £1m; Sefton Metropolitan BC £1.25m; South Northamptonshire DC £0.25m; Tunbridge Wells BC £0.5m; Cunningham DC £1m; Erewash (Borough of) £0.5m; Newport BC £0.5m; Portsmouth (City of) £1m; Woodspring DC £0.25m.

Nu-Swift doubled at halfway

REORGANISATION AND cost cutting programmes undertaken by Nu-Swift Industries in the early part of 1983 have resulted in more than doubled interim pre-tax profits of £800,000 against £385,000.

The company, engaged in the manufacture of fire extinguishers and extinguishing agents, is paying an unchanged interim dividend of 0.925p, but a substantial increase in full year profits is expected and, say the directors, the final will be higher than the 1.21p paid for 1982.

Turnover for the six months to the end of June was higher at £6.96m against £6.78m for the corresponding period.

The directors say that results from the home market restructuring are now starting to become evident. Also the company's UK service division continues to improve its performance, although trading in export markets remains difficult. Overseas subsidiaries traded at a much more satisfactory level during the period, they add.

Earnings per 5p share emerged at 1.99p (0.81p) after tax of £402,000 (£223,000). For the corresponding period there was an extraordinary debit of £48,000.

September Purchasing of the U.S. holds 29.9 per cent of the equity.

● comment

The re-organisation of Nu-Swift is beginning to bear fruit. On a marginally increased turnover pre-tax profits have more than doubled from the same period last year. Market conditions have remained about the same but manufacturing costs and overheads have been trimmed substantially, boosting profit margins. The product range has also been slightly reduced, cutting costs. Nu-Swift has traditionally been known for the quality of its fire extinguishers, but has fallen down on the sales and marketing side—here the link-up with Hawley's Electro-Protective Corporation in the U.S. and Gaston Murray's General Incendie in France could pay large dividends in terms of export sales. Second-half profits at Nu-Swift are usually higher than the first and so £1.75m pre-tax for the full year seems the market's best guess. The shares closed unchanged at 69p yesterday, giving a prospective fully taxed p/e ratio of 16.

Johnson Matthey £1m lower

FOR THE first three months to June 30 1983 pre-tax profits of Johnson Matthey were £1m lower at £6.2m compared with the corresponding period last year.

However, after a reduced tax charge of £1.8m, against £2.9m, net profits rose marginally from £4.3m to £4.4m. Stated earnings per £1 share were ahead from 12.8p to 13.1p.

For the year ended March 31 1983, group taxable profits fell from £49.6m to £38m, but the dividend was maintained at 10p net.

First quarter invoiced sales of the group, excluding those of Johnson Matthey Bankers, showed an advance from £182.4m to £245.1m.

Pre-tax profits were after deducting debenture and other interest of £5.8m (£1.1m) and depreciation of £3.8m (£2.5m).

The company has adopted SSAP 20—foreign currency translation—for the preparation of the results. Comparative figures for 1982 have been adjusted accordingly.

At June 30 1983 shareholders' funds were ahead at £31.3m, against £307.5m a year earlier. Foreign currency translation losses of £4.4m relating to net assets of overseas subsidiaries and associates in accordance with SSAP 20 have been taken to reserves.

Net assets increased from £332.6m to £436.2m. Net current assets amounted to £176.6m (£110.7m), fixed assets £153.9m (£119.9m), investments £32.5m (£27.8m) and base stocks £73.2m (£74.2m).

Base stocks of precious metals are valued at base prices fixed by the directors at March 31 1980. If market prices had been used, the amount on the balance sheet would have been higher by £91.7m (£20.7m).

The group's interests are in precious metal refining, banking, chemical manufacturing, metal fabricating, and the production of ceramic colours, pigments and decorative transfers.

Stanley £0.5m in black midway

FOR THE six months to July 6 1983, A. G. Stanley Holdings, retailer of decorative materials and related products, has turned in a pre-tax profit of £493,000, against a loss of £171,000 last time. Sales rose slightly from £27.19m to £27.68m.

In view of this progress the interim dividend is being maintained at 1p net per 5p share—the directors have waived their entitlement to this payment. Last year, no final was paid. Half-time earnings per share were 1.65p (1.1p deficit).

Despite increasing competition, sales volume and market share were maintained, the directors state. They say weather conditions for the decorative trade could not have been worse, with a very wet spring followed by the current very hot period. However, considerable progress has been made towards restoring an acceptable level of profitability.

Second half sales continue to be affected by the weather, but the autumn is expected to see an increase in sales volume. The directors believe the worst has now been seen and the progress now reported will be continued.

First-half pre-tax profits were struck after depreciation of £704,000 (£717,000) and interest paid of £237,000 (£203,000).

Profits on sales of properties decreased from £194,000 to £20,000.

After tax of £74,000, against £109,000, the net surplus came out at £419,000, compared with a £280,000 loss. The dividend after waivers costs £209,000 (£254,000).

For the 12 months ended January 1 1983, the company made a profit before tax of £97,000.

● comment

A. G. Stanley has done better than expected in the first half of this year. There are two points to make about these results. First, the improvement in trading profits from the comparable period in 1982 is due entirely to a turnaround in the wallpaper production mill: from a £950,000 loss the mill is now breaking even. Production is about 7m rolls of wallpaper a year with Stanley's retail side taking just 40 per cent and the rest going to competitors and to exports. Second, the news is not all that bright on the retail side. Though sales volumes and margins have recovered slightly this half the margins on paint and paper are still well below their historic level. Moreover, with a growing share of the retail market being held by the large out-of-town superstores, competition is much stronger for small high street DIY shops like Stanley's "Fads" chain, raising questions about its long term future. But for the full year pre-tax profits should be around £1.1m. On a 15 per cent tax charge this gives a prospective p/e ratio of 12.5 or 22.1 fully taxed. The shares, at 47p, up 1p yesterday.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Arbuthnot G Ses 4th int	2.75	—	2.75	11§	11
Assed Dairies	1.75	—	1.31*	3	2.33*
Babcock Intnl ....int	3.4	Oct 17	3.4	—	7
L. J. Dewhirst ....int	0.32	Nov 25	0.28*	—	1.02*
Good Relations ......int	1.5	Oct 1	0.93*	—	2.33*
Guardian RE ....int	7.75	Jan 4	7	—	19.5
William Jacks ....int	0.35	Oct 3	Nil	—	Nil
Nu-Swift Inds ....int	0.93	Oct 10	0.93	—	2.14
G. W. Sparrow ....int	0.5	Oct 25	0.25	—	1.25
A. G. Stanley ....int	1	Oct	1	—	1

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 13 months.

Talbex losses increase

Interim results of the Talbex Group reveal that although turnover expanded from £3.9m to £5.35m, losses at the pre-tax level widened by £184,000 to £248,000.

Operating losses for the period, to January 31 1983, emerged at £162,000 (£11,000 profit) before interest charges of £86,000 (£75,000)—the group is an industrial holding concern.

In view of the improved results reported for the 1981-82 year (the group finished £14,000 in the black after three years of losses) the directors say they are disappointed with the first half results, but add that action to improve operating efficiency has been taken, the benefits of which are expected to become evident in the 1983-84 year.

They point out that of the total losses, £275,000 related to Oliver Engineering (Leyland) which has now been closed.

Loss per 5p share for the six months amounted to 1p (0.26p) pre-extraordinary debits of £106,000 (nil) and 1.75p after the same items.

There is again no tax, nor a dividend payment.

T. Robinson cuts deficit

Engineer and machine maker Thomas Robinson and Son reduced its pre-tax losses by £28,000 to £470,000 for the first half of 1983 although turnover for the period declined from £4.4m to £3.96m reflecting the reduction in cereal milling contract orders during the previous year.

The interim report reveals that the group is beginning to benefit from the introduction of new technology in its drawing offices and manufacturing facilities as well as further reductions in manning levels.

There are improved prospects that overseas contract orders, frustrated by foreign exchange difficulties, may materialise, the report adds.

Orders in all the UK companies have improved significantly in recent months and the group's works will be fully occupied to beyond the end of the year.

Group trading loss for the six months totalled £443,000 (£507,000). From this net interest paid took £27,000 (added £9,000). There was no tax charge (same).

The interim dividend is again being omitted.

The figures for the half year include the Australian and South African subsidiaries for the six months ending March 31 1983 and June 30 1983 respectively but do not include figures in respect of the associate company Thomas Robinson (Far East) Sdn Bhd.

Atlantic Assets

The offers by Atlantic Assets Trust to its ordinary shareholders by way of rights of 6,117,988 ordinary shares in Ivory and Sime and 6,117,988 ordinary shares in Personal Assets Trust closed at 3 pm on August 26 1983.

Pro-rata entitlements have been accepted for a total of approximately 5.75m ordinary shares (94 per cent) in Ivory and Sime and approximately 5.73m ordinary shares (94 per cent) in Personal Assets Trust.

LADBROKE INDEX
707-714 (−4)
based on FT Index
Tel: 01-493 5261

Dewhirst at £1.6m midway and forward sales higher

DESPITE continued pressure on margins during the first half I. J. Dewhirst Holdings, manufacturer and wholesaler of clothing, says that trading conditions improved, and reports an 18.7 per cent advance in pre-tax profits.

For the 28 weeks to July 15, 1983, turnover increased by 23 per cent to £16.16m, against £13.14m, and the taxable surplus improved by £257,000 to £1.63m.

Profits at the trading level were £1.43m, compared with £1.15m. The pre-tax result was struck after adding lower net interest received this time of £203,000 (£225,000), the reduction being attributable to capital expenditure and lower interest rates.

There is an effective 14.3 per cent increase in the net interim dividend to 0.32p (0.28p after allowing for a one-for-four scrip issue).

Mr Alisair Dewhirst says that forward orders are significantly higher than last year, although cost increases are difficult to recoup. The company is continuing to expand its product range, supported by enlarged design teams and a growing capital expenditure programme, including a new suit factory.

He expects the pattern of growth to continue in the second half of the year.

The attributable balance came out at £1.16m (£997,000) after tax of £472,000 (£375,000) to give earnings per 10p share of 2.85p (2.44p adjusted).

● comment

Dewhirst, the stock market's favourite Marks & Spencer supplier, did not disappoint a rather jaded City, so the shares added a couple of pence to 137p. Taking the company at its word, that the pattern of growth will continue in the second half, it could be reasonably inferred that Dewhirst will make close on £3.4m pre-tax for the full year. Although the chairman comments on the difficulty of recouping cost increases, it should be noted that at the trading level Dewkhirst has suffered no margin erosion. Cash balances are still around the £4m mark, but the planned capital expenditure will start to eat into that. Given the shares' star rating and parsimonious yield, expansion by paper would be tempting indeed—but the family does not want to dilute its controlling stake. Dewhirst's outstanding growth record has been based on M & S's rapidly increasing share of the suits and shirts market, and it's suppliers development plans suggest that Marks sees no slackening of the action. Nevertheless, the shares' prospective multiple of 27 leaves nothing to chance.

Leopold Joseph Sterling Fund

Revenue of Leopold Joseph Sterling Fund dropped from £29,296 to £22,440 for the period from December 30 1982 to June 27 1983.

However, after lower expenditure of £25,027 (£32,431) the deficit dropped slightly from £3,135 to £2,587. There is again no dividend.

Owners Abroad advances to £0.5m at interim stage

FOR THE six months to June 30 1983 turnover of the Owners Abroad Group, tour operator, expanded by £11.77m to £27.82m and pre-tax profits advanced to £494,000, against £257,000.

A record 319,220 (156,720) passengers were carried during the period, with load factors reaching 99 per cent. Mr N. Scott, the chairman, says at this time the group is 12 per cent ahead on bookings before allowing for Falcon and Bena.

The acquisition of Falcon Leisure was completed in March and, say the directors, first indications show that Falcon will substantially improve overall profitability.

First half earnings of this USM company were 0.52p (0.24p) per 10p share after tax of £223,000 (£134,000).

In the year to the end of December 1982 the company made pre-tax profits of £2.31m.

● comment

Even these excellent results from *Owners Abroad* failed to shift the company's share price from a seemingly interminable plateau. On an admittedly dull day in the market, the shares gained 1p to close at 26½p. The profits increase was almost entirely due to organic volume growth. The Falcon acquisition added only about £25,000 at the pre-tax line, but for the year as a whole should meet its budgeted contribution of over £300,000. Owners Abroad is justifiably pleased with reaching a load factor of 99 per cent. Obviously it does discount in order to put bottoms on aeroplane seats, but so far this year discounting has been less prevalent. The company has base cash resources of about £2.5m, a figure which would increase still further—if Owners ever manages to sell its unwanted yacht. For the second time, it appears that the company will attempt to lease an aeroplane, in an effort to bring down its near full mainstream tax rate. Owners Abroad could well make £3.2m pre-tax this year, putting the shares on an *undemanding fully taxed* multiple of 9.

Wm. Jacks moves ahead and restores dividend

WITH a significant advance both at home and overseas pre-tax profits of William Jacks increased from a restated £121,000 to £300,000 for the six months to June 30 1983, and the company is returning to the dividend list with an interim of 0.35p net.

In the UK profits rose from £5,000 to £100,000 and the overseas contribution was up at £201,000, against £115,000. Turnover for the period was £10.37m, compared with £8.29m. Pre-tax profits include an exchange gain of £25,146, which would have been taken direct to reserves if the new accounting policy had been introduced at the half year.

The directors of this overseas trader, motor car distributor and retailer, say the motor group had a successful half year and signs are that following the August registration period, the outcome for the next seven months should be as good.

The development in Cobham of a quality car showroom is showing good results and the Ascot acquisition is trading profitably, they add.

Following the decision to run down the finance division the company has closed the Birmingham office and is pursuing debts from the Sunningdale office.

The holding company is still incurring sizeable interest charges following the recent acquiistion and development programme.

Tax for the period took £115,000 (£52,000) and earnings per 25p share emerged at 3.42p against 1.25p.

UK pre-tax profits for the six months exclude losses of the financial division which have been set against the provision for future costs to closure, made at December 31 1982. UK pre-tax profits for the six months to the end of June 1982 would have been £76,226 had they been restated to exclude the losses of this division.

William Jacks ultimate holding company is Jacks International (Singapore).

G. W. Sparrow sharp rise to £581,000 at midway

ALMOST doubled pre-tax profits of £581,000 compared with £302,000 have been produced by G. W. Sparrow and Sons for the first half of 1983 following an uplift in UK operations. The directors of this crane hire group are confident that overall 1983 will be a satisfactory year.

Together with offshore services and equipment sales divisions, UK operations for the six months returned profits of £126,000, compared with a loss of £174,000 in 1982.

The net interim dividend has been doubled from 0.25p to 0.5p. Earnings per 20p share are shown as moving up from 2.95p to 5.44p. In the last full year a total payment of 1.25p was made from pre-tax profits of £1.07m.

The results for the first half of 1982 have been restated—in accordance with a change of accounting policy for interest.

Turnover increased from £14.44m to £14.57m. The directors say that the crane hire market within the UK has shown some improvement over the last year and it is hoped that this will continue. The group's operational structure is in a position to take full advantage of any increase in business when it occurs, they say.

Elsewhere the group's international reputation and its fleet of cranes should continue to ensure the winning of profitable contracts.

At the end of the last full year the directors had reported that UK crane hire business was improving, although it was difficult to obtain profitable contracts. They were confident that they would continue to increase the company's presence in various markets, from which they expected to continue to improve profitability.

Commenting on the period under review, they say that they are pleased to note that in spite of the difficulties within the UK crane hire market, the crane hire division showed improved results due mainly to rationalisation, which left that division "leaner and fitter."

The directors say that the share of profits from associate companies is highly satisfactory at £455,000, although this contribution was slightly lower than last year's £476,000.

Trading profits moved up from £2.14m to £2.28m, including profits from operations at £2.24m (£2.19m) and profits on the disposal of fixed assets of £45,000 (losses £43,000). Depreciation amounted to £1.2m (£1.1m) and net interest dropped from £1.21m to £953,000.

Tax amounted to £51,000 (£15,000) leaving the attributable balance ahead from £287,000 to £530,000. The cost of proposed dividends rose from £24,000 to £49,000.

LMI confidence in Banbury

Losses at the recently acquired Banbury Homes and Gardens had been stemmed Mr C. M. Beddow, chairman of London and Midland Industrials, told the annual meeting. He anticipated some profit this year and "obviously a very good return thereafter."

As known pre-tax profits of this engineering and industrial service company amounted to £2.93m for the year to the end of March 1983.

The group of companies purchased from Johnson and Firth Brown had fitted in very well with LMI and was performing in line with expectations, said Mr Beddow.

Mr Beddow went on to say that there was as yet insufficient evidence of economic upturn. However, he looked to the future with confidence.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions showed below are based *mainly on last year's timetable.*

TODAY

Interims:—Anglo American Gold Investment, Arrow Chemicals, British Petroleum, Cadbury Schweppes, Cambridge Electronic Industries, Cattle's Holdings, Charterhouse Group, James Dickie (Drop Forgings), Metal Closures, Micro Business Systems, Morgan Crucible, Noble and Lund.

Finals:—Continental Microwave, J. and J. Makin Paper Mills, Zambia Copper Investments.

FUTURE DATES

Interims:—

Beattie (James)	Sept 8
Croda International	Sept 7
Hayters	Sept 12
Newbold and Burton	Sept 7
Royal Worcester	Sept 7
Smith St. Aubyn	Oct 19
Yule Catto	Sept 15

Final:—

Cope Allman International	Sept 12

UK COMPANY NEWS

BIDS AND DEALS

Portsmouth & Sunderland buys Croydon Advertiser

BY DAVID DODWELL

The Portsmouth & Sunderland Newspapers group yesterday provisionally agreed to buy the loss-making Croydon Advertiser group in a deal worth £2.3m.

The deal will mean the closure of the Croydon group's in-house printing operations, and the sale of its headquarters, Advertiser House.

The Croydon Advertiser has been owned for 114 years by the same family concern, Jesse Ward Investments. From profits of more than £1m three years ago, it slipped to losses of £645,000 in 1982.

It comprises nine weekly newspapers, three free newspapers, and Darts World, a monthly publication with a circulation of about 26,000. The Portsmouth and Sunderland group intend to keep all of the present publications going.

Neither company was willing to disclose what redundancies will arise from the rationalisation. At present, the Advertiser group's workforce totals 300. Sir Richard Storey, chairman of the Portsmouth and Sunderland group, said that discussions were planned with the trade unions.

At present, the Portsmouth and Sunderland group own papers stretching from Sunderland and Hartlepool in the north, to Portsmouth and the Isle of Wight in the south.

Printing for all of the group's newspapers is done at a plant in Portsmouth. The Croydon Advertiser's printing operations will also be transferred to Portsmouth.

The Portsmouth group committed itself to an £11m investment programme two years ago—almost half of which was to be spent on two new printing lines. These will be in full operation in the near future, trebling the group's printing capacity overnight.

Sir Richard was keen to stress yesterday thta the family owning the Croydon Advertiser has set in train plans to rationalise the group, irrespective of whether a buyer could be found: "We were approached by Mr Stiby (chairman of Jesse Ward) and were asked to take a listing ship in tow," he said.

Insisting that the Croydon group could successfully be returned to profit, he suggested that the group's weakness was in part the result of trying to maintain in-house printing operations at a time of rising print costs, and increasing competition using rapidly modernising technologies.

Cadbury ends joint venture in Japan

BY CHARLES BATCHELOR

Cadbury Schweppes, the confectionery, soft drinks and groceries group, has ended its 10-year old joint venture partnership with Japanese foodstuffs, textiles and pharmaceuticals group Kanebo.

The two companies set up Kanebo Cadbury Company of Tokyo in 1974 to market imported chocolate products from Cadbury and produce the British company's range in Japan.

A fall in the sales of imported chocolates and differences between the sales strategies of the two companies led to the break-down, Kanebo said.

Cadbury will now market its chocolates in Japan through its own local agency forming part of its Cadbury Schweppes Far East operations.

"A new approach is required," Cadbury said. "The 10 years of co-operation did allow us to develop the popularity of our brands in Japan and we have learned a lot. It is a fairly difficult market."

The company described Japan as "a big market" but declined to specify.

Kanebo said the joint venture, which was capitalised at Y400m (£1.1m) achieved annual sales of between Y1.1bn and Y1.5bn but built up cumulative deficits of about Y500m.

Kanebo plans to buy out Cadbury's share in the joint company and will then sell its own chocolate products through the sales network set up for Cadbury's products.

Midland Mart £0.6m estate agencies deal

Midland Mart, the Banbury company which deals in livestock, agricultural property and computer software, has acquired the Shipways and Robert Young estate agency groups for £610,000.

Midland Mart, which is quoted on the Unlisted Securities Market, paid £500,000 for Shipways financed by the issue of 427,708 new ordinary shares. It paid £110,000 for Robert Young, this being financed by the issue of 54,306 ordinary shares and £40,000 in cash.

The company said the takeover represented a "once and for all expansion into the residential property market." Robert Young and Shipways have a total of 15 offices situated throughout the Midlands. Both will continue to trade under their existing names.

The deal represents another step in the trend of publicly quoted companies taking over the management of estate agencies which traditionally were private partnerships.

PEKO WALLSEND

Peko-Wallsend has said it will lower its offer price for Robe River shares to $2.3 each, less any dividend which Robe may declare, from its original offer of $2.4, if it succeeds in obtaining between 50 and just under 90 per cent of Robe.

However, if Peko gains acceptances for 90 per cent of Robe's 43m issued shares, at which its offer becomes unconditional, it will pay $2.4 per share.

Pancontinental Mining, which earlier bid $2 per share for Robe, has said it will not accept Peko's offer for its 9.4 per cent stake.

EIS PURCHASE

The EIS Group has purchased the Mollart universal joints and aircraft joints product line of the Mollart Engineering Company of Surbiton, Surrey, from receivers. Consideration was £225,000 in cash.

Waddington bid battle not over says Maxwell

MR ROBERT MAXWELL, chairman of the British Printing and Communications Corporation (BPCC), yesterday responded to news of further withdrawals of acceptance of his hotly contested £17m offer for John Waddington by insisting that he has "no intention of throwing in the towel."

"Don't count this battle as over," he said. "We are not despondent, and will not throw in the towel at this stage. The market got it wrong today (Wednesday) by thinking that we going to withdraw."

He nevertheless called on shareholders in Waddington, the Leeds-based games and packaging group, to note that the rumour of withdrawal prompted Waddington shares to slip by 18p, to close at 248p.

BPCC has extended its share offer—13 of its own shares for every five in Waddington — to next Wednesday following its failure to win a majority of the shares by the first closing date on Tuesday last week.

From a high point of reporting acceptances amounting to 47.3 per cent of John Waddington shares, withdrawals have eroded acceptances to barely more than 40 per cent.

With just seven days to go before the offer lapses, market analysts were yesterday predicting a new initiative from BPCC ahead of the weekend—perhaps today.

Buy-out at Tiger Rail

THE MANAGEMENT of Tiger Rail, which leases and operates waggons on British Rail for private users, have bought their company from North American Car Corporation in a deal worth more than £1m.

The present managing director, Mr Richard Bull, the finance director, Mr Brian Pettit, and a number of other managers will together hold a majority stake in the company with the rest owned by Charterhouse Development Capital which is providing financial backing in partnership with Barclays Development Capital.

Tiger Rail was formed in 1976 by Mr Bull and now operates a fleet of nearly 1,000 waggons, including tank, powder and covered hoppers. These are hired out to oil, petrochemical, construction and agricultural companies.

Tiger Rail recently negotiated a transport package for one major customer with British Rail and plans a further expansion of this type of activity, Mr Bull said.

North American Car is a subsidiary of Tiger International, the loss-making U.S. air freight, road haulage and railway waggon leasing group. Tiger Rail was a profitable venture which Tiger International decided to dispose of to concentrate resources on its air freight business, Mr Bull added.

Stewart Nairn deal with Gulf Pet.

Stewart Nairn, the group brought back from suspension last year by Sharjah businessman Abdul Rahman Bukhatir, yesterday revealed an agreement with Gulf Petroleum Products Corporation to acquire an option to buy for £6.5m the 60 per cent interest in business premises in Sackville Street in central London that it does not already own.

Stewart Nairn, now exclusively a property company, bought a 40 per cent stake in the premises from Gulf Petroleum in June this year. It issued 8m shares to pay for the deal, valuing its stake at £4.4m at prevailing share prices.

It yesterday agreed to pay another 600,000 ordinary shares for the option to acquire the remaining 60 per cent. The option can be exercised before October 31 next year, and will involve payment by means of a further issue of shares.

Bright future ahead for Fitch Lovell

THE FUTURE for Fitch Lovell has never looked brighter, says Mr Geoffrey Hankins in his annual statement.

He says that the past 12 months represent a fresh start for the Fitch Lovell Group with both its senior management team and activities having been restructured.

Since the year end the company has successfully concluded the sale of Key Markets, West Gunner and Fitch Lovell Poultry. The companies employed 47 per cent of group operating assets but only contributed 30 per cent of group pre-tax profits. The group's retained activities registered a 66 per cent advance in profits at the pre-tax level for last year.

The new look Fitch Lovell, he says, will seek consistent year-on-year growth from the new base established last year. For the 53 weeks to April 30 1983 pre-tax profits were £14.6m, a 39 per cent advance on the £10.3m made in the previous 52 weeks period.

The group faces the future with strong companies and products, and with tight financial controls and a disciplined approach to investment, and the chairman believes that the future for Fitch Lovell has never looked brighter.

He adds that there have been signs of recognition in recent months that the new Fitch Lovell should be rated with the best in the food sector. The group's businesses have growth potential and many of its products are brand leaders.

As at April 30 1983 net operating assets were £90.28m against £86.53m, and shareholders' funds were £63.41m compared with £58.98m, on a pro-forma basis, adjusted for the disposals, shareholders' funds would have been £74.22m.

The AGM will be held at the Connaught Rooms, Great Queen Street, London WC2 on September 27 at noon.

Memcom Intnl.

Application lists for shares in Memcom International Holdings, offered for sale on the over-the-counter market by Afcor Investments, a licensed dealer in securities, were over-subscribed. Afcor offered 1.92m shares at 81p per share in Memcom, a leading international company in electronic filing systems. Details of the basis of allotment will be announced shortly.

Elys (Wimbledon)

Pre-tax profits of department store operator, Elys (Wimbledon) improved from £15,311 to £22,250 in the half year to July 30, 1983, on turnover of £3.5m, against £3.36m.

Earnings per 25p share moved ahead from 0.612p to 0.89p, while the net interim dividend is maintained at 1p—last year's total payment was 7p on taxable profits of £426,000.

After tax of £11,570 (£7,962) first-half attributable profits rose from £7,349 to £10,680.

FIH SELLS STAKE IN FINLAY

Ferguson Industrial Holdings has sold its 22.7 per cent stake in Finlay Packaging, the Belfast colour printer and package manufacturer. Stockbrokers W. Greenwell have placed the shares with institutional investors.

FIH had obtained the bulk of this stake from Jefferson Smurfit Group over a year ago as a prelude to making Finlay a subsidiary. However, after informal discussions which were described as "amicable," Ferguson has decided not to proceed with a bid for Finlay. Finlay shares closed 1p lower at 36p.

MINING NEWS

W. Mining raises A$123m—from Australians only

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA's Western Mining is determined to remain Australia's Western Mining. The major mining finance house announces that in line with its policy of limiting foreign ownership it is raising A$123.75m (£72.5m) by a placing of 27.5m shares at A$4.50 each, exclusively with Australian institutional investors.

The A$4.50 price is equivalent to about 264p; in London yesterday the existing shares fell 12p to 278p.

The exclusively Australian deal, which will raise the company's issued capital to 302.94m shares of 50 cents par value, aroused criticism in the London sharemarket yesterday. One stockjobber said that it had dampened enthusiasm for the market in Australian mining issues, which was "rarin' to go," by raising fears that London would be left out of further attractive investment opportunities down-under.

Among other things, he was thinking of the eventual financing package for the giant Olympic Dam copper-gold-uranium prospect in South Australian which, owned as to 51 per cent by Western Mining and 49 per cent by British Petroleum, could become one of the world's greatest mines.

Still, there is a precedent in the previous raising of A$68.4m in May last year by Western Mining—also for general corporate purposes—which was made via a placing of 19m shares at A$3.60 each with financial institutions usi-; the same two Melbourne stockbroking firms, E. L. & C. Baillieu and Potter Partners.

Furthermore, the company's decision fits in with Australia's foreign investment guidelines. These are pointed up by Western Mining's accompanying announcement that it proposes to change its Articles of Association in order to preserve "the Australian character of the company."

The proposed changes will ensure that no foreign individual can control more than 15 per cent of the company's voting power and that no two, or more, foreign shareholders can control more than 40 per cent of the votes.

Shareholders will also be required to disclose beneficial ownership. Western Mining adds, thoughtfully, that it has noted "significant" purchases of Australian resource stocks by foreign investors.

London holders of Western Mining, who might well have preferred a general rights issue to the exclusively Antipodean placing, are not being left completely out in the cold. The company is to offer all shareholders renounceable share options at 50 cents (about 29p) each which will give the right to purchase shares at a price of A$1.50 (about 88p) each.

These options—totalling some 60.5m—are being offered in the ratio of one for every five shares held at October 6. They are exercisable into shares (for a total consideration equal to about 117p) next year between February 20-27 and September 7-14 and in 1985 between February 18-25.

Holders of the options will be entitled to participate in all future cash and scrip issues, although any scrip issue shares would not be allotted until the options were exercised.

Meanwhile, Western Mining also announces some uninspiring results—rather below expectations—for the year to June 21. After a loss at half-time the company has returned to profits with a net attributable A$3.97m, or 1.4 cents per share, against a profit a year ago of A$6.94m. However, the latest result is after taking in a tax credit of A$33.25m against a credit of A$10.84m last time.

Clinging to the dividend list, Western Mining is paying an unchanged final of 1 cent to make a year's total of 2 cents against 2.5 cents for 1981-82.

Shares involved in the big Australian placement will qualify for half of any interim declared for the year to next June and fully thereafter.

Shares issued upon exercise of the options will rank for dividends from the end of the month after exercise.

Western Mining has been relying heavily on its gold interests for earnings while its other revenue sources have been going through a thin time.

However, it is generally agreed that the important nickel and aluminium interests will now pull their weight with the help of much improved metal prices. Most observers thus expect a sharp increase in earnings for the current year. The shares rate as a "hold."

MIM climbs out of the red

A SHARP turnround to profit from loss is reported by Australia's MIM Holdings for the year to June 30. A net profit for the period of A$39.17m (£23m), or 7.8 cents per share, goes against a loss of A$4.33m in the previous 12 months. The latest profit is struck after tax of A$2.72m; for the previous year there was a tax credit of A$24.12m.

Conservatively, MIM is doing no more than maintain its modest dividend total of 5 cents (2.9p) with a final payment of 3 cents.

The recovery in profits largely reflects higher prices for copper and silver received in the latter part of the year.

Helped by the decline in the value of the Australian dollar against the U.S. dollar the average copper price obtained was A$1,646 per tonne against A$1,470 in 1982-82, while that for silver was A$365 per kilo against A$232.

Sales of contained copper in concentrates rose to 158,407 tonnes from 143,677 tonnes in the previous year while those of silver climbed to 437,036 kilogrammes from 481,860 kgs.

MIM says that sales of copper, lead, silver and nickel were broadly in line with normal production but those of zinc increased to 136,978 tonnes from 114,348 tonnes as a result of the expansion at the Mount Isa mine.

Coal output rose to a record 1.49m tonnes from 1.13m tonnes following the start of operations at the big Oaky Creek mine and some expansion at the Collinsville operations but poor international demand for iron ore resulted in sales of this product declining to 879,924 tonnes from 1.01m tonnes.

While costs were reasonably well maintained, capital spending jumped to A$628.64m from A$314.09m in the previous year. Some A$512m of the latest total was accounted for by development of the new coal projects at Collinsville, Newlands and Oaky Creek in Queensland.

MIM makes no forecast of prospects for the current year, noting only that there is still no tangible evidence of a sustained recovery in its metal prices, despite signs of an international economic recovery.

However, metal demand tends to lag behind the recovery in that for manufactured goods which we are now seeing. There will thus be considerable disappointment if MIM does not report a further good improvement in earnings for the year to next June, especially with the shares yielding only 1 per cent at 264p.

Buffels marrying for money

NO TAX on gold mining will be payable by the South African Buffelsfontein in the current year to next June as a result of the arrangements for the takeover of the new Beatrix gold mine in the Orange Free State which is expected to start trial milling in December.

As already announced, Buffels is to acquire Beatrix with effect from July 1 last, partly by the issue of non-cumulative preference shares and partly in cash.

But this will mean no cash outlay by Buffels because the cost of the assets acquired and the capital spending incurred on Beatrix after July 1 last, will be allowable as a deduction from Buffels' taxable income; in the year to June 30 Buffels paid a total of R106.1m (£63m) in tax.

In return, Buffels will be entitled to 16 per cent of the distributable profits of Beatrix. Future capital expenditure on Beatrix and any operating losses will be funded by the new mine's cash flow.

If the cash flow is insufficient Beatrix will be obliged to fund the balance without any financial obligation on Buffels.

In effect, therefore, the South African tax man is providing the cash consideration of Buffels' purchase and underwriting the new underground gold mine which, being low grade, might not be a payable proposition on its own account. Both companies are members of the Gencor group and there are no public shareholders in Beatrix.

By the end of June some £229m had been spent on Beatrix and the total cost of the project is estimated at R467m. Initial revenue from gold production is expected in the first quarter of next year. The full capacity working of 170,000 tonnes of ore per month will be reached in the second half of 1985.

The new mine is expected to have a life of 27 years. Mineable ore reserves are 45.4m tonnes with a low average gold yield of 6.05 grammes per tonne. Clearly any increase in gold prices will have a sharp beneficial impact on the fortunes of what is basically a low grade underground operation.

GMK and Central Norseman do well

AUSTRALIAN gold has put a shine on the earnings of the well-established Gold Mines of Kalgoorlie and Central Norseman Gold in the year to June 21.

GMK reports a net profit of A$11.4m (£6.7m), equal to 101 cents per share, against only A$2.7m in the previous 12 months. A final dividend of 25 cents (14.7p) boosts the year's total to 67.5 cents against only 10 cents for the previous year.

Central Norseman (50.48 per cent owned by Western Mining) has lifted its latest earnings to A$16.6m, or 63.7 cents per share, from A$10.9m in 1981-82. In this case the dividend total goes up to 40 cents against 25 cents for the previous year with a final of 20 cents.

The company received an average gold price in the latest period of A$481 per ounce, compared with A$365 in the previous year, the latest price increase including the benefit of a 15.3 per cent favourable movement in the average Australian dollar-U.S. dollar exchange rate.

Imitators eat into Swiss cheese sales, Page 36

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday September 1 1983

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WALL STREET

Indicators spur pace of equity gains

THE STOCK MARKET on Wall Street advanced strongly yesterday despite further weakness in the credit sector. There were widespread gains among leading shares and turnover showed a welcome increase from the unexciting levels of recent trading sessions, *writes Terry Byland in New York.*

Investors have been heartened by the stock market's resistance to this week's downturn in bond prices and the mood was helped by the news of a smaller than expected rise in economic indicators in July which is expected to reduce upward pressure on interest rates.

But some market traders remained cautious, pointing out that yesterday's ratio of share gains to losses at 2-1, indicated that profits are still being taken.

At the close, the Dow Jones Industrial average soared 20.12 to 1,216.16.

Fixed interest sectors opened lower and gave further ground as the Federal Funds rate moved up from an opening 9½ per cent to 9⅝ per cent at midsession. At this stage, however, the Federal Reserve Board helped the market with overnight system repurchase arrangements and bond prices rallied to just under overnight levels.

The Fed's use of system repurchases, rather than merely bringing forward orders from its overseas customers, appeared to indicate its unwillingness to see the Fed Funds rate moving up again. But yesterday was the weekly make-up day for the banks and technical pressures were influencing short-term rates in the market.

Motor and steel issues again attracted buying support. Chrysler put on $1⅛ to $27½ on the decision to increase production. Ford $2 better at $56¾, continued to build on its success in European markets, as did General Motors, $1¼ higher at $70.

Selective buying of steel shares again favoured National Steel, $⅝ up at $27¼ and Inland Steel $2 up at $32⅞, but U.S. Steel, the industry leader, remained dull.

IBM was strong at $119¾, a net gain of $1⅞. Other high-tech issues to move higher included Honeywell, $1⅞ up at $120¼, AT & T, $⅝ up at $65½

Chemical issues, which have lagged the market, advanced sharply on increased buying from the institutions. Dow Chemical added $1⅛ to $37 and Du Pont $¾ to $52½ both featured in last week's list of above-average-sized deals, which are an indication of interest from the major investment institutions. Monsanto stood out with a gain of $2½ to $111¾.

Among oils, Exxon put on $¼ to $38 and Mobil gained $¾ to $32¾.

There were buyers for General Electric, $1¾ up at $51¼, Burlington Industries $¼ higher at $41¾ and Minnesota Mining and Manufacturing $1⅞ up at $78⅝.

The cloud of uncertainty over interest rates brought a scattering of falls in shares of the major banks whose funding-earnings ratios would be affected by changes in short-term rates. Chase Manhattan slipped $⅛ to $47½.

Shares in Harris Bankcorp were delayed at the market opening by rumours of impending bid moves but later opened at $51, later soaring to $57½, a net gain of $10¾ as the market awaited developments.

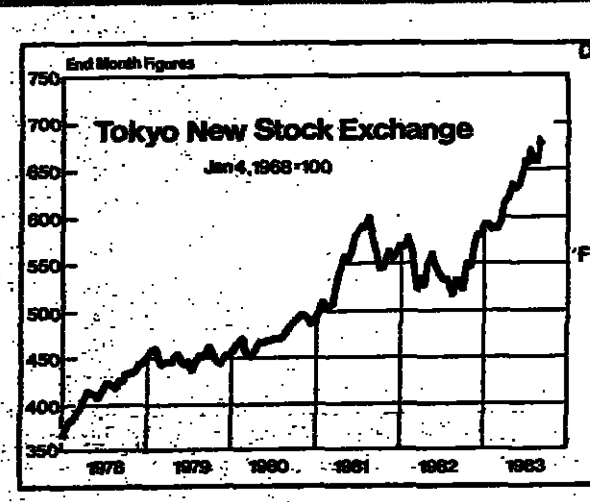
Unchanged results for the final quarter left Perkin-Elmer, the instrument manufacturer, a shade easier.

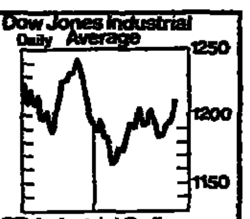
Scattered features elsewhere in the market were Digital Equipment, which continued to recover from its recent shakeout with a gain of $4⅛ to $103¾. National Semiconductor, $1⅛ higher at $54⅜ responded to reports of increased demand for the computer chip industry.

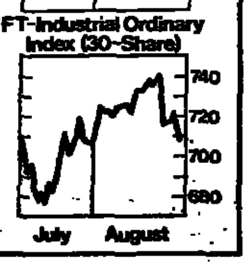
Credit markets improved behind a fall in the Fed Funds rate to 9⅝ per cent after the Federal Reserve's help to the market.

The key long bond, the 12 per cent of 2013 rallied to 100 21/32 from an earlier 100 9/32, recording a net fall of 3/32, to yield 11.91 per cent. Municipal bonds slipped back in the face of a $160m issue from Ohio. Corporation bonds remained quiet.

KEY MARKET MONITORS







STOCK MARKET INDICES

	Aug 31	Previous	Year ago
NEW YORK			
DJ Industrials	1216.16	1196.04	901.31
DJ Transport	548.58	538.21	360.61
DJ Utilities	129.53	130.06	115.08
S&P Composite	164.40	162.86	119.51
LONDON			
FT Ind Ord	707.4	716.3	581.6
FT-A All-share	450.36	454.52	347.92
FT-A 500	487.58	492.47	383.45
FT-A Ind	438.02	442.93	353.01
FT Gold mines	678.9	685.6	332.2
FT Govt secs	79.23	79.41	77.88
TOKYO			
Nikkei-Dow	9189.43	9195.92	7123.38
Tokyo SE	678.53	677.97	530.48
AUSTRALIA			
All Ord.	701.3	695.2	482.6
Metals & Mins.	599.6	594.9	392.6
AUSTRIA			
Credit Aktien	55.19	55.15	48.85
BELGIUM			
Belgian SE	132.43	132.69	97.71
CANADA			
Toronto Composite	2483.0	2450.4	1613.3
Montreal Industrials	441.61	435.32	293.42
Combined	414.75	409.16	279.08
DENMARK			
Copenhagen SE	186.31	186.42	86.76
FRANCE			
CAC Gen	134.7	135.9	101.21
Ind. Tendance	142.7	143.7	116.8
WEST GERMANY			
FAZ-Aktien	309.29	309.47	221.84
Commerzbank	914.1	914.3	673.5
HONG KONG			
Hang Seng	965.94	971.08	1035.33
ITALY			
Banca Comm.	202.53	201.91	170.35
NETHERLANDS			
ANP-CBS Gen	138.4	138.1	86.4
ANP-CBS Ind	111.3	112.9	68.3
NORWAY			
Oslo SE	205.19	203.73	108.26
SINGAPORE			
Straits Times	989.3	988.12	627.25
SOUTH AFRICA			
Golds	945.3	955.1	562.1
Industrials	932.4	929.2	607.8
SPAIN			
Madrid SE	113.51	114.33	108.36
SWEDEN			
J & P	1493.92	1497.84	615.21
SWITZERLAND			
Swiss Bank Corp.	332.80	331.10	246.6
WORLD	Aug 30	Prev	Yr ago
Capital Int'l	176.3	176.1	131.7

GOLD (per ounce)

	Aug 31	Prev
London	$414.625	$417.875
Frankfurt	$414.50	$418.00
Zürich	$414.50	$416.50
Paris (fixing)	$412.95	$418.50
New York (Sept)	$414.40	$417.90

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Aug 31	U.S. DOLLAR Previous	STERLING Aug 31	STERLING Previous
£	1.494	1.499	–	–
DM	2.697	2.689	4.0325	4.03
Yen	246.25	246.3	368	370.25
FFr	8.11	8.0925	12.1125	12.13
SwFr	2.186	2.185	3.2675	3.275
Guilder	3.017	3.008	4.51	4.51
Lira	1611.5	1605	2407.5	2406
BFr	54.27	54.09	81.1	81.07
C$	1.23375	1.23225	1.8425	1.8465

INTEREST RATES

	Aug 31	Prev
Euro-currencies (three month offered rate)		
£	9⅞	9⅞
SwFr	4⅝	4 9/16
DM	5 11/16	5 9/16
FFr	15¾	15¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅜	10 5/16
6-month U.S.$	10⅝	10 11/16
U.S. Fed Funds	9⅝	9⅝
U.S. 3-month CDs	9.80	9.80
U.S. 3-month T-bills	9.225	9.31

U.S. Treasury Bonds

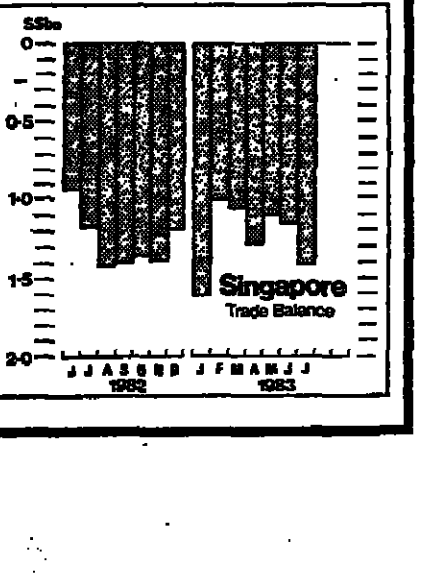
		Aug 31 Price	Aug 31 Yield	Prev Price	Prev Yield
10⅜	1985	100	10.58	100	10.58
10¾	1990	94 13/32	11.94	94 13/32	11.94
11⅞	1993	98 21/32	12.05	98 29/32	12.05
12	2013	100 21/32	11.91	99 12/32	12.06

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
September	69–25	70–03	69–16	70–05
U.S. Treasury Bills (IMM) $1m points of 100%				
September	90.74	90.77	90.65	90.72
Cert. Deposit (IMM) $1m points of 100%				
September	90.04	90.10	89.98	90.05
LONDON				
Three-month Eurodollar $1m points of 100%				
September	89.79	89.79	89.69	89.73
20-year Notional Gilt £50,000 32nds of 100%				
September	101–10	101–12	100–16	101–03

LONDON COMMODITY MARKETS

	Aug 31	Prev
Silver (spot fixing)	803.35p	818.40p
Copper (cash)	£1061.50	£1066.50
Coffee (Sept)	£1727.50	£1726.50
Oil (spot Arabian light)	$28.67	$28.82



TOKYO

Traders cash in as index hits record

PERSISTENT buying of incentive-backed issues in the absence of any strong motivation held share prices steady in early trading in Tokyo yesterday. However, they slipped back on a flurry of profit-taking during the afternoon amid concern about the recent fast rises. The bond market moved slightly higher in thin trading, *writes Shigeo Nishiwaki of Jiji Press.*

The irregular fluctuations pushed the Nikkei-Dow market average to an all-time high of 9,221.39 points at 10 am, up 25.47 from the close of the previous day, but finished down 6.49 at 9,189.43 on volume of 468.75m shares.

Weakness on Wall Street and rising U.S. interest rates, combined with the record level of margin debts run up on the three major stock exchanges, prompted investors to back off from blue chips in favour of speculatives and incentive-backed issues to earn fast profits.

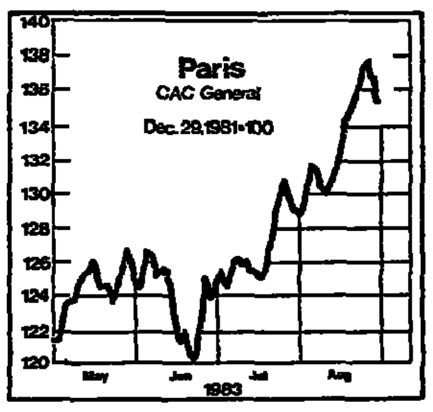
Medium and small capital steel issues, which had been out of favour, were bought on news of higher prices for steel materials, with Tokyo Steel gaining Y40 to Y630 and Yamato Kogyo Y42 to Y675.

Food issues, which had been regarded as lagging behind the market advance, were also sought on reports of higher crop prices, with Nisshin Oil Mills adding Y35 to Y485, Hohnen Oil Y26 to Y427 and Yamazaki Baking Y22 to Y652.

Hitachi firmed Y5 to Y860, but other blue chip issues declined on a wide front, with Sony losing Y70 to Y3,280, NEC Y10 to Y1,440 and Matsushita Electric Industrial Y10 to Y1,560.

On the bond market, investors generally stayed on the sidelines, due to a lack of clarity on the future trend of U.S. interest rates. With market supply and demand continuing relatively stable, however, bond prices moved slightly higher.

Some financial institutions sold 7.5 per cent long-term government bonds with nine years remaining to maturity for a total of Y30bn ($122.4m) to Y40bn. They were priced to yield 8.10 to 8.11 per cent compared with 8.13 per cent in the previous session. The bulk of bonds sold by these financial institutions was bought by securities houses.



LONDON

Investment apathy persists

EQUITY investors in London again refused to be drawn yesterday and leading shares sagged as further small sales added to the weight of stock currently hanging over many areas of the market. Top-quality industrials moved lower throughout the session and the FT Industrial Ordinary share index fell 8.9 to close at 707.4.

Bowater was again volatile awaiting next month's interim results, while Imperial Group reacted sharply to the possibility of a cigarette price war.

The threat of dearer U.S. credit has also suppressed enthusiasm for gilt-edged securities. Cheap buying late in the day took most medium and longer-dated gilts marginally off the lowest and net falls ranged to ¼.

Leading gold producers attracted persistent demand but the South African sectors suffered from profit-taking and selling prompted by the continued weakness of the bullion price. *Details, Page 31, Share Information Service 32, 33.*

AUSTRALIA

BRISK buying of lower-priced gold and oil stocks lifted prices in relatively thin trading in Sydney. The All Ordinaries index broke the 700 barrier for only the second time this year to close at 701.3 against 695.2.

Much of the attention centred on Metana Metals, which put on 80 cents to A$2.80 after touching A$3. MIM gained 4 cents to A$4.48, WMC 3 cents to A$4.98, CRA 10 cents to A$6.04 and Central Norseman 40 cents to A$8.50.

SINGAPORE

FIRMER afternoon trading allowed selected stocks to recover small morning falls in Singapore. The Straits Times index closed 1.18 points higher at 989.30. Losses narrowly outnumbered advances in moderate trading.

HONG KONG

THE growing strength of the U.S. dollar against a weakening local currency sent share prices lower again in Hong Kong yesterday. The Hang Seng index, down more than 8 points in the first hour, recovered slightly to finish 5.14 points off at 965.94 – the lowest close since June 30.

Among major losers were Swire Properties, off 15 cents at HK$5.25, Hutchison Whampoa, down 20 cents to HK$12.80 and Hongkong Bank, 10 cents off at HK$7.75.

A rare bright spot was Jardines, up 10 cents to HK$12.90.

SOUTH AFRICA

AFTER opening lower in line with the bullion price, gold shares made little progress in Johannesburg yesterday.

Markdowns among heavyweight producers ranged to R1.50 for President Steyn at R63.75, while Simmers led the downturn in cheaper gold shares with a fall of 25 cents to R7. Mining financials and other metals were also lower, but other minings were steady and industrials mixed.

CANADA

CONTINUED weakness in gold mining stocks failed to prevent a broad improvement in Canadian prices at midsession. Much of the strength in the Toronto market came from metals, transport, pipeline and financial issues. Papers were weak.

Bank of Nova Scotia put on C$⅜ to C$39⅝ following Tuesday's announcement of higher nine-month profits.

Other major gainers were Pine Point Mines, C$2⅜ up at C$33, Bomac Batten up C$2.30 to C$7 and Canadian Occidental Petroleum, C$1 ahead at C$29½.

EUROPE

Buyers scan the lists for bargains

THE BELIEF that recent falls have been excessive brought buyers back into **Frankfurt** yesterday to lead many major stocks higher; although gains were for the most part muted.

Investors temporarily dismissed interest rate worries and concentrated attention on stocks which have been most heavily marked down during recent selling.

Strength in the dollar had tended to hold prices down in the morning session, but buying orders from domestic operators changed the market's course during active afternoon trading.

Corporate news meant certain stocks were singled out for special treatment.

Volkswagen shed DM 3.50 to DM 207.50 in the wake of its DM 147m first-half net loss. Improved results pushed Brown Boveri DM 3.70 higher to DM 200 and Lufthansa advanced DM 6.50 to DM 122 on news of its favourable half-year profit performance.

Electrical, steel and chemical issues received most of the late support. AEG rose DM 1.90 to DM 74.90 and Siemens was 50 pfg higher at DM 333.50.

Banks, vehicle and machinery stocks were mixed. Daimler was the major beneficiary in the automotive sector, adding DM 3.50 to DM 566 while Deutsche Bank gained DM 1.20 to DM 305.20.

A modestly firmer tone emerged in **Amsterdam**, with most indices registering small advances.

The financial sector traded generally higher. Among the banks ABN gained Fl 2.50 to Fl 366.50 and Ned Mid was up Fl 1 to Fl 143.

Nat Ned stood out among insurance groups as the market anticipated the company's strong first-half results, and closed Fl 2.30 higher at Fl 155.

Brussels investors were still preoccupied with domestic political issues and withheld support while the wrangle over a tax amnesty for the building sector continues. Stocks drifted for most of the day towards generally lower levels.

Declines heavily outnumbered advances on the **Paris** exchange, although the falls failed to make much impression on key indicators.

Local political factors were also the major reasons for investors' restraint. These are expected to persist until the Government unveils its budget in mid-Spetember.

Milan also displayed caution, with investors choosing to stay out of the market to determine the current trend. Several leading stocks closed slightly higher but were off their peaks for the day.

Another round of selling clipped prices on the **Madrid** exchange with banks the hardest hit for the second consecutive day.

Prices closed higher in relatively active **Zurich** trading, with investors undeterred by the dollar's strength. Selected financial stocks were most heavily supported with Hasler up SwFr 75 at SwFr 2,250 and Oerlikon-Bührle SwFr 35 higher at SwFr 1,530.

Stockholm saw heavy trading in Electrolux following strongly improved six-months' figures, although it closed just SKr 1 higher at SKr 248.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 29

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close

Continued on Page 30

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 28

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
11⅞	6⅛	WCNA			12	71 2005	u12	11¾	12	+ ⅛
53⅛	46	WCNA	pf7 25	14		2	52¼	52¼	52¼	
76¾	52½	WPacI			14	2	74½	74½	74½.	
54¼	31¾	WUnion	1.40	3.7	11	891	37⅝	36¾	37¾	+ ⅜
120	74	WnUn	pf4 60	5.3		1	86½	86½	86½	+ ¾
10⅛	8½	WUn	dpf1 18	12.		24	9¼	9⅝	9⅝	− ⅛
22½	17⅝	WUTI	pf2 56	13		4	20⅛	20⅛	20⅛	− ¼
53⅝	30	WestgE	1 80	3.9	10	1917	45⅞	43¾	45⅞	+2⅛
36	20½	Westvc	1.20	3 8	15	x74	31⅝	31	31⅝	+ ⅝
41⅞	27⅞	Weyerh	1 30	3 8	66	2067	34⅝	34⅛	34½	+ ⅛
52¼	37¼	Weyr	pf2.80	6 4		115	44	43¾	44 .	
57¼	44⅛	Weyr	pr4 50	9.3		180	48⅝	48	48⅝	+ ⅜

Continued on Page 30

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 29

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 29

[illegible]

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK-DOW JONES

	Aug 31	Aug 30	Aug 29	Aug 26	Aug 25	Aug 24	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1216.16	1196.94	1194.11	1192.07	1185.86	1184.25	1248.3 (16/6)	174.39 (11/8)	1248.3 (16/6/83)	41.22 (2/7/32)
Transport	548.58	538.21	532.85	532.5	524.42	524.88	589.29 (24/6)	434.24 (3/1)	589.29 (24/6/83)	12.23 (8/7/32)
Utilities	129.53	130.86	130.59	131.87	130.69	130.59	132.9 (26/7)	119.46 (3/1)	163.32 (28/4/69)	10.55 (28/4/42)
Trading vol 1000's†	8130	6237	5383	6165	7814	7229	-	-	-	-

	Aug 19	Aug 12	Aug 5	(Year Ago Approx)
Ind div yield %	4.65	4.88	4.66	6.43

STANDARD AND POORS

	Aug 31	Aug 30	Aug 29	Aug 26	Aug 25	Aug 24	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	185.57	183.4	183.85	182.8	181.27	181.83	193.22 (22/6)	154.95 (3/1)	193.22 (22/6/83)	3.52 (30/6/32)
Composite	164.4	162.58	162.25	162.14	160.84	161.25	170.99 (22/6)	138.34 (3/1)	170.99 (22/6/83)	4.4 (1/6/32)

	Aug 24	Aug 17	Aug 10	Year Ago (Approx)
Ind div yield %	4.86	3.95	4.85	5.45
Ind. P/E Ratio	14.62	14.39	14.04	8.29
Long Gov Bond Yield	11.48	11.43	11.99	11.82

N.Y.S.E ALL COMMON

Aug 31	Aug 30	Aug 29	Aug 26	1983 High	1983 Low
-	-	-	-	442.62 (6/5)	79.79 (24/1)

RISES AND FALLS

	Aug 31	Aug 30	Aug 29
Issues traded	921	1934	1928
Rises	36	866	601
Falls	486	669	899
Unchanged	399	399	428

MONTREAL

	Aug 31	Aug 30	Aug 29	Aug 26	1983 High	1983 Low
Industrials	449.58	435.32	434.22	433.1	493.08 (5/5)	329.12 (4/1)
Combined	414.11	409.19	407.39	406.83	429.99 (27/7)	319.4 (5/5)
TORONTO Composite	2493.8	2459.4	2441.8	2441.3	2517.3 (27/7)	1949.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES; LATEST AVAILABLE

	Aug. 31	Aug. 30	Aug. 29	Aug. 26	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	703.2	696.2	695.6	696.7	708.4 (24/8)	487.6 (4/1)
Metals & Minls. (1/1/80)	559.8	594.9	594.1	595.4	615.5 (24/8)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	55.19	55.16	55.12	55.5	58.8 (6/5)	48.48 (15/2)
BELGIUM Belgian SE (31/12/63)	132.45	132.69	133.09	133.44	134.45 (1/8)	100.60 (4/1)
DENMARK Copenhagen SE (3/1/83)	(c)	189.42	184.86	182.16	189.42 (30/8)	100.00 (3/1)
FRANCE CAC General (31/12/82)	134.7	135.9	136.6	136.7	137.7 (26/8)	96.1 (3/1)
Ind Tendance (31/12/82)	142.7	145.7	140.5	145.4	148.5 (24/8)	98.8 (3/1)
GERMANY FAZ-Aktien (31/12/58)	309.29	309.47	309.84	313.36	331.86 (7/7)	241.88 (25/1)
Commerzbank (Dec1953)	914.1	914.5	915.9	927.5	986.3 (7/7)	727.9 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	965.94	971.08	(c)	981.80	1102.64 (21/7)	781.81 (4/1)
ITALY Banca Comm Ital. (1972)	202.53	201.91	202.63	204.39	214.95 (21/3)	160.45 (10/1)
JAPAN** Dow Average (16/5/49)	9189.45	9195.92	9172.84	9145.54	9293.75 (22/8)	7803.18 (25/1)
Tokyo New SE (4/1/68)	678.53	677.9	677.2	677.6	682.45 (22/8)	574.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	158.4	138.1	138.1	137.8	143.4 (22/8)	100.1 (4/1)
ANP-CBS Indust (1970)	111.5	112.9	112.5	113.1	116.5 (22/8)	85.5 (4/1)
NORWAY Oslo SE (4/1/83)	205.19	205.75	202.77	200.11	214.45 (16/8)	99.81 (4/1)
SINGAPORE Straights Times (1966)	989.36	989.12	992.62	986.57	992.62 (25/8)	712.28 (5/1)
SOUTH AFRICA Gold (1958)	—	955.1	949.6	—	1099.5 (1/2)	694.5 (28/8)
Industrial (1958)	—	929.2	924.9	—	969.7 (29/8)	749.9 (3/1)
SPAIN Madrid SE (31/12/82)	115.5	114.33	(c)	115.19	120.62 (13/7)	98.33 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1495.82	1497.84	1494.28	1466.11	1517.24 (12/8)	916.16 (3/1)
SWITZERLAND SwissBankCpn. (31/12/58)	332.8	331.1	328.1	332.3	347.0 (4/8)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	176.3	176.1	176.5	182.7 (22/8)	154.5 (8/1)

(**) Saturday Aug 20: Japan Dow 9137.13. TSE 679.15.
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

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MARKET REPORT

Investors again hold back and small sales force most leading shares down

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

*"New-time" dealings may take place from 9.30 am two business days earlier.

Equity investors again refused to be drawn yesterday and leading shares sagged as further small sales added to the weight of stock currently hanging over many areas of the London market. Seasonal considerations continued to adversely affect interest from institutional and other large investors, and smaller potential buyers were also holding back.

Technicalities associated with the current long trading Account, which ends tomorrow, also inhibited professional business but the recent overall apathy of investors is probably a reflection of wider issues.

Since the rise to all-time equity peaks only six trading days ago, two influential forecasting groups have made bearish predictions on UK economic trends. More recently, renewed concern about U.S. money growth and thoughts of a pending short-term bulge putting upward pressures on international interest rates have undermined confidence.

The uncertainties have had a dampening influence on equity markets owing to the absence of demand and yesterday was no exception. Top quality industrials moved lower throughout the session and the FT Industrial Ordinary share index fell 8.9 to close at the day's lowest of 707.4; on Monday of last week, it achieved its all-time peak of 740.4.

Only four index constituents resisted the downturn yesterday. Bowater were again volatile awaiting next month's interim results, while Imperial Group reacted sharply to the possibility of a cigarette price war.

The threat of dearer U.S. credit also suppressed enthusiasm for Gilt-edged securities. Dealings have been thin for some while with buyers recently turning towards index-linked issues because of inflationary worries. In common with conventional stocks, the former were a shade easier yesterday after last week's sharp rise. Cheap buying later in the day took most medium- and longer-dated Gilts marginally off the lowest and net falls were reduced to ¼.

GRE disappoint

Guardian Royal Exchange's interim results and disappointment with the UK motor business aspect of the figures stifled an early modest rally in Composite Insurances. GRE, standing at 520p awaiting the statement, dipped to 513p on the announcement and, following the managing director's comments on the figures, reacted afresh to close 14 down on balance at 502p. Royals finished 13 lower at 512p and Phoenix, reporting next Wednesday, ended 6 off at 320p. Life issues also gave ground, Prudential losing 6 to 468p, Legal and General 4 to 478p and Hambro Life 4 to 412p.

The major clearing banks continued to drift easier, but Merchant Banks attracted investment demand following a broker's circular. Mercury touched a 1983 peak of 430p before closing a net 7 up at 427p, while Hill Samuel improved 4 to 277p.

Building issues encountered a fresh bout of small selling. Blue Circle ended 8 down at the day's lowest of 420p, while RMC shed 4 to 354p. Nervous offerings in front of the interim results, due soon, clipped 4 from AMEC to 228p. Among Timbers, Travis and Arnold slipped to 315p before closing a net 8 off at 318p. Barratt Developments also shed 4, to 214p, and George Wimpey lost the turn to 110p. Steel stockholders Helical Bar remained a volatile market and, after Tuesday's fall of 7, jumped to a 1983 peak of 75p on renewed speculative buying before settling a net 15 up at 72p. Burnett and Hallamshire also attracted buyers and rose 18 to 368p.

Business in ICI contracted and the shares, at 542p, gave up half the previous day's Press-inspired gain of 16. Other Chemical issues drifted lower, Laporte losing 7 to 320p and Coalite a couple of pence to 165p. Rentokil, 124p, and Allied Colloids, 317p, shed 3 apiece. Danish concern Novo Industries "B" rose 7 points to £215 on the go-ahead by the U.S. food and drug administration to begin marketing its human insulin the the U.S.

Stores drift afresh

Major Retailers continued to drift lower although selling was again negligible. Habitat Mothercare eased 4 to 278p, while falls of 3 were common to British Home, 206p, Marks and Spencer, 204p, and Woolworth, 273p. Burton, on the other hand, attracted sporadic late support and rose 6 to 323p following the announcement that the company's internal credit card facilities have been increased to £125m.

Buyers also shyed away from secondary counters where Harris Queensway, 272p, and Currys' 311p, gave up 6 and 9 respectively. However, a couple of encouraging trading statements prompted modest gains, with Marks and Spencer supplier I. J. Dewhirst 2 dearer at 137p, after 138p, on the increased interim profits and dividend, and D-I-Y concern A. G. Stanley a penny better at 48p following the return to mid-term profits. Speculators again showed interest in Greenfields, 3 up at 42p, while Steinberg advanced 11 to 140p with the new nil-paid a similar amount to the good at 45p premium.

Subdued trading conditions persisted in the Electrical leaders, with quotations drifting off by a few pence. GEC gave up 5 to 203p and Plessey 3 to 191p. Revived offerings left Ferranti 13 lower at 590p, while STC ended 8 down at 288p. BSR reacted 7 to 173p, Lec Refrigeration 13 to 250p and United Scientific 10 to 420p.

Disappointment with the interim figures caused dullness in Babcock which closed 9 down at 165p, after 162p. Other leading Engineers trended easier, but losses were usually limited to a couple of pence. Still reflecting the reduced interim dividend and profits, Weir Group 2 further to 28p, while Thomas Robinson gave up 3 to 34p on poor half-year figures. John Brown lost 2 to 18p and falls of around 8 were marked against Ransomes Sims, 258p, and Staveley, 252p.

A shade firmer awaiting the preliminary results, Associated Dairies touched 170p on profits above market estimates and the one-for-three scrip issue before drifting back to close just 2 dearer on balance at 166p. Tesco continued to attract attention and firmed 2 more to 158p, but J. Sainsbury eased a few pence to 402p. Elsewhere in the Food sector, Cadbury Schweppes encountered some selling in front of today's interim results and gave up 2 to 105p. Rowntree Mackintosh closed similarly lower at 214p and Avana lost 5 to 458p, the latter despite the chairman's confident annual statement.

After Tuesday's fall of 13 on disappointment with the interim profits, Ladbroke rallied 3 to 217p following comment on the figures. Trusthouse Forte lost 4 to 170p and Grand Metropolitan 3 to 328p.

Bowater became a volatile market ahead of the interim figures, due shortly, reacting to 201p initially and recovering to 211p before settling at 209p for a fall of 3 on the day. Among other miscellaneous industrial leaders, lack of fresh U.S. support left Glaxo down 10 at 810p. Boots remained on offer and gave up 4 further to 167p, while similar losses were recorded in BOC, 218p, and BTR, 534p. Pilkington Brothers continued to give ground, losing 6 further to 237p. Elsewhere, Spring Grove closed 6 up at 49p, after 52p, on the rival offer from Sunlight Services, a penny firmer at 174p; original bidders Pritchard Services firmed 2 to 129p.

Continued speculative demand lifted Highgate Optical 10 more to 145p, but Dufay, still reflecting disappointing interim results, gave up 5 more to 48p. G. W. Sparrow responded to the increased interim dividend and profits with a rise of 6 to 62p, while Cope Allman, half-yearly figures due shortly, improved 3½ to 70p. Talbex eased 1½ to 4p on the poor interim results, but the encouraging tenor of the chairman's annual review left Cowan de Groot a penny higher at 30p. Bellair advanced 35 more to 675p. Down to 276p at one stage, Johnson Matthey rallied on the half-year figures to close only 2 off on balance at 283p. Still reflecting recent Press mention, Hoover "A" came in for late support and put on 9 more to 149p. In contrast, Hawley Group met sellers and reacted 5 to 173p, while other dull spots included London and Liverpool, down 4 at 65p, and Marshall's Universal, the same amount lower at 44p.

Among travel issues, Owners Abroad firmed a penny to 26½p in response to the satisfactory interim profits. Juliana's attracted interest and rose 7 to 357p, while Associated Leisure put on a couple of pence to 110p.

Persistent talk of a possible hive-off of the company's profitable Unipart division lifted BL another 3 to 73p.

Publishers passed an uneventful session. International Thomson firmed 8 to 645p. Portsmouth and Sunderland held steady at the overnight level of 153p following the acquisition of Jesse Ward Investments, publishers of the Croydon Advertiser, for around £2.3m. John Waddington dropped 18 to 248p on confirmation of further withdrawals of consent to the offer from British Printing and Communication, a penny cheaper at 108p; withdrawals now total 7.9 per cent of the Waddington equity. P. R. concern Good Relations advanced 10 to 210p after announcing doubled first-half profits and a substantially increased interim dividend; the company, currently quoted in the Unlisted Securities Market, has applied for a full quotation which is expected to be granted tomorrow.

Leading Properties, dull at first, turned steadier and closed with only modest falls. Land Securities ended just 2 off at 302p, as did MEPC, at 202p. Great Portland Estates also lost a couple of pence, to 130p, with sentiment not helped by a broker's cautious comments. Sporadic selling clipped 7 from Rush and Tompkins, to 195p, and 6 from Bradford Property, to 238p. New contracts worth nearly £11m failed to excite Espley-Tyas which shed 4 to 77p, while details of a property purchase in Glasgow for £575,000 made no apparent impression on Estates and Agency which held at 115p. Sheafbank provided an isolated firm spot, rising 3 to a 1982 peak of 20p, on speculative interest.

Relatively subdued in recent weeks, Tobaccos attracted a brisk trade reflecting fears of an impending price-war following off-licence chain Victoria Wine's decision to test-market an "own-label" cigarette. Imps shed 5 to 111p, after 110p, while Bats fell 4 to 138p. Rothmans eased a couple of pence to 107p.

Exco International dipped to 503p before settling for a net fall of 12 at 508p; the interim figures are scheduled for next Tuesday. Other Financials tended higher. R. P. Martin, 255p, and Mercantile House, 775p, both added 10, while speculative interest revived for Britannia Arrow, 4 up at 81p. Dealings in Haw Par were suspended at 81p following similar action in Singapore.

BP steady

Awaiting today's half-year figures, BP traded on a relatively steady note and closed without alteration at 436p, after 432p. Other leading oils again displayed a slightly easier trend, Shell losing 4 to 610p, and Britoil the same amount to 248p. Lasmo eased 7 to 328p. Among the Irish sea stocks, Atlantic Resources reacted afresh to 250p before recovering to close 15 up on balance at 290p. Aran, 42p, and Bula Resources, 18p, both closed a penny firmer, while Eglinton put on 10 to 175p. Elsewhere, speculative demand left International Petroleum 50 higher at 260p.

William Jacks improved 3 to 41p following the company's smart recovery in first-half profits and its return to the dividend list. Elsewhere among Overseas Traders, Inchcape lacked support and eased 5 to 318p, while Lonrho gave up a couple of pence at 104p.

W. Mining weak

Mining markets were highlighted by widespread advances in Australian issues.

The latest upsurge in "Down-under" stocks occurred in spite of news of an uninspiring set of annual results from Western Mining and the revelation that the company is making a placement of 27.5 ordinary shares in Australia only at a price of A$4.50 a share, to raise A$123.75m. Western Mining dropped 12 to 278p.

Full-year figures from another of Australia's leading mining groups — MIM Holdings — were well received and the shares moved up 3 to 264p while CRA, which on Tuesday reported interim results in line with market estimates added a like amount to 350p.

The Gold sector of Australian markets was set alight by rumours of a significant gold find in the Nullagine area of Western Australia.

Metana Minerals were the centre of the speculative activity and jumped 22 to 150p, after 160p, while demand was also noted in Eastern Petroleum, 5 up at 39p, Carls, 4 to the good at 24p, and Ivanhoe, which put on 2 to 13p.

Elsewhere in speculative golds, Kitchener Mining jumped 21 to a 1983 high of 135p, Whim Creek 10 to 180p, Sons of Gwalia 4 to 52p and CGMA ½ to 4p.

Leading gold producers attracted persistent demand with Gold Mines of Kalgoorlie a feature and finally 15 higher at 725p ahead of the figures.

The South African sectors suffered from profit-taking and selling prompted by the continued weakness of the bullion price which dipped 2 more to $415.875 an ounce.

London and Continental selling more than offset Cape buying interest in Golds and share prices fell accordingly with the Gold Mines index finally 6.9 lower at 678.9.

South African and London Financials were equally depressed, the latter being additionally unsettled by the further decline in UK equities.

Activity in Traded Options received a much-needed fillip via a brisk trade in Imperial Group where fears of a cigarette price-war sparked 106 calls and 250 puts, with 150 of the latter struck in the popular November 130s, 5 dearer at 22p. Total contracts done yesterday amounted to 1,449.

FINANCIAL TIMES STOCK INDICES

	Aug. 31	Aug. 30	Aug. 26	Aug. 25	Aug. 24	Aug. 23	year ago
Government Secs.	79.23	79.41	79.60	79.71	79.63	79.67	77.88
Fixed Interest	82.28	82.40	82.44	82.51	82.63	82.62	77.91
Industrial Ord.	707.4	716.3	722.1	717.4	716.6	724.0	561.6
Gold Mines	678.9	685.8	678.5	672.6	666.2	668.2	352.2
Ord. Div. Yield	4.75	4.70	4.68	4.71	4.69	4.65	5.09
Earnings, Yld.% (full)	9.62	9.52	9.49	9.54	9.50	9.42	11.38
P/E Ratio (net) (*)	12.94	13.08	13.13	13.06	13.10	13.22	10.54
Total bargains.	17,157	17,067	18,678	19,701	19,160	21,038	16,107
Equity turnover £m.	—	135.32	148.87	174.62	182.89	177.31	153.64
Equity bargains	—	15,706	14,647	15,142	16,579	18,222	12,631
Shares traded (ml)	—	96.1	102.4	114.9	108.1	109.6	99.1

10 am 712.7. 11 am 709.9. Noon 709.2. 1 pm 708.4. 2 pm 708.4. 3 pm 708.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.23.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/6)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines.	734.7 (15/2)	531.5 (29/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 30	Aug. 26
Daily Gilt Edged Bargains	124.8	119.1
Equities Bargains	101.8	94.9
Equities Value	273.5	300.9
5-day Avrge Gilt-Edged Bargains	127.7	131.8
Equities Bargains	104.0	107.6
Equities Value	331.0	347.6

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

		Wed Aug 31 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Aug 30 Index No.	Fri Aug 26 Index No.	Thur Aug 25 Index No.	Wed Aug 24 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (207)	460.81	−1.2	8.87	3.78	14.53	466.42	469.99	467.04	468.08	414.63
2	Building Materials (23)	426.28	−1.1	10.64	4.69	11.77	430.94	434.76	433.04	433.72	346.89
3	Contracting, Construction (30)	724.48	−0.3	12.29	4.75	10.11	726.83	730.92	726.84	724.84	647.19
4	Electricals (36)	1699.70	−1.7	7.84	2.22	16.53	1729.41	1740.79	1728.02	1741.08	1651.26
5	Engineering, Contractors (10)	473.82	−0.3	14.19	5.87	8.76	475.44	476.25	471.29	472.95	470.92
6	Mechanical Engineering (64)	200.45	−0.6	11.79	5.54	10.67	201.69	203.54	202.31	201.55	204.46
8	Metals and Metal Forming (10)	179.15	−1.0	10.33	6.55	11.77	180.88	182.49	180.60	180.12	149.78
9	Motors (18)	116.40	−1.3	—	4.92	—	117.89	118.81	117.97	117.43	81.27
10	Other Industrial Materials (16)	533.45	−0.9	5.47	4.15	24.14	538.34	544.85	542.06	540.13	351.31
21	CONSUMER GROUP (199)	430.52	−1.1	10.49	4.46	11.69	435.09	437.69	436.95	434.71	337.94
22	Brewers and Distillers (23)	450.46	−0.8	12.43	5.05	10.04	453.97	458.23	458.62	458.80	379.97
25	Food Manufacturing (22)	334.75	−1.0	13.45	5.90	8.79	338.04	338.65	336.54	334.01	287.06
26	Food Retailing (13)	929.09	+0.1	7.23	2.65	17.91	928.05	925.92	920.48	912.57	720.24
27	Health and Household Products (8)	777.98	−1.3	5.69	2.76	20.89	787.89	790.14	782.13	785.87	524.20
29	Leisure (22)	574.21	−0.6	8.90	4.75	14.49	577.52	581.72	576.64	577.83	434.42
32	Newspapers, Publishing (14)	963.50	—	8.50	3.38	14.36	963.47	961.39	953.11	952.56	530.60
33	Packaging and Paper (14)	187.02	−0.6	11.09	5.41	10.21	188.07	189.77	189.95	192.33	140.17
34	Stores (48)	385.16	−1.3	8.20	3.87	16.53	390.10	398.02	397.62	392.72	301.64
35	Textiles (22)	213.54	−0.9	11.68	5.37	10.22	215.53	215.66	215.64	215.47	163.81
36	Tobaccos (3)	403.12	−3.2	24.57	7.72	4.56	416.35	419.50	420.69	408.80	367.14
39	Other Consumer (10)	418.87	+0.3	5.77	3.53	—	417.64	419.10	418.49	419.21	259.50
41	OTHER GROUPS (79)	386.40	−1.1	8.09	4.42	15.65	390.71	390.91	388.61	388.49	259.76
42	Chemicals (15)	537.21	−1.5	8.41	4.70	15.55	545.33	538.30	531.82	531.97	334.50
44	Office Equipment (6)	111.15	−0.9	8.63	4.62	14.79	112.19	113.18	114.22	114.57	101.98
45	Shipping and Transport (15)	715.85	−0.5	6.90	5.68	20.83	719.43	721.00	718.74	717.08	555.78
46	Miscellaneous (43)	521.31	−0.9	8.01	3.86	14.99	526.07	532.08	530.67	530.26	351.08
49	INDUSTRIAL GROUP (485)	438.02	−1.1	9.58	4.23	13.05	442.93	445.45	443.75	442.87	353.01
51	Oils (15)	1028.03	−0.5	10.73	5.66	11.36	1032.73	1039.94	1033.81	1023.68	725.21
59	500 SHARE INDEX	487.58	−1.0	9.78	4.49	12.71	492.47	495.30	493.23	491.63	383.45
61	FINANCIAL GROUP (123) 330.98	−0.7	—	5.75	—	333.18	336.46	337.39	336.62	249.09	
62	Banks (6)	347.42	−0.3	24.62	7.33	4.44	348.59	351.88	351.28	351.63	260.15
63	Discount Houses (8)	296.97	−0.1	—	9.12	—	297.19	295.63	295.48	294.81	277.09
65	Insurance (Life) (9)	475.92	−0.8	—	4.61	—	479.97	482.92	482.24	484.10	282.05
66	Insurance (Composite) (10)	225.82	−1.4	—	6.68	—	228.94	231.97	235.08	230.29	158.50
67	Insurance Brokers (7)	550.54	−0.6	12.04	5.42	11.49	553.64	556.73	554.44	552.08	496.12
68	Merchant Banks (13)	208.23	+0.7	—	4.35	—	206.74	206.38	204.96	204.93	144.45
69	Property (53)	449.31	−0.9	6.28	4.16	21.39	453.25	456.82	459.00	459.27	420.08
70	Other Financial (17)	240.28	+0.1	11.24	5.55	10.72	240.05	241.28	241.43	241.82	166.40
71	Investment Trusts (108)	443.31	−0.6	—	3.99	—	445.77	447.74	448.81	449.56	307.91
81	Mining Finance (4)	321.57	−1.2	5.81	4.54	22.12	325.60	325.19	325.07	320.87	215.62
91	Overseas Traders (15)	492.00	−0.8	7.32	7.60	20.93	495.84	496.65	495.85	493.25	376.32
99	ALL-SHARE INDEX (750)	450.36	−0.9	—	4.70	—	454.52	457.30	456.14	454.52	347.92

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	94	31	—	—	—	—	$415.10
GOLD C	$425	82	15.10	31	28	—	—	"
GOLD C	$450	20	6.50 B	36	15.10	47	25.50	"
GOLD C	$475	10	4	—	—	—	—	"
GOLD C	$500	219	1.80	—	—	—	—	"
GOLD C	$550	24	1	—	—	—	—	"
GOLD P	$400	24	6	—	—	—	—	"
GOLD P	$425	7	17.50 B	2	20 B	—	—	"
		Sept.		Dec.		March		
SILV C	$11	1	1.10	10	1.70	—	—	$12.04
SILV C	$12	4	0.45	12	1.10	1	1.75	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 14,175

A=Asked B=Bid C=Call P=Put

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (53)

AMERICANS (3)

Gulf Oil; Sperry Corp.; I.U. International

CANADIANS (4)

Bell Canada; Imperial Oil; Brascan; Seagram

BANKS (7)

ANZ; Nat. Australia Bank; Goode Durrant M'y; Schroders; Hill Samuel; Trade Dvlpt. Bank; Mercury Sec.

BUILDINGS (2)

Brownlee; Helical Bar

ENGINEERING (1)

Bromsgrove Casting

FOODS (2)

Tesco; Do. 9pc Cnv. Uns. Ln. 2002-07

INDUSTRIALS (10)

British Syphon; Jenks & Cattell; Continental Group; Lep Group; Cope Allman Intl.; MCD Group; Grampian Hldgs.; Monsanto 5pc '82-86; Highgate Optical; Sandhurst Marketing

LEISURE (1)

Assoc. Leisure

NEWSPAPERS (2)

Assoc. Book Pubs.; Intl. Thomson

PAPERS (1)

Good Relations

PROPERTY (1)

Sheafbank Prop.

TRUSTS (5)

Fleming Far Eastern; Triplevest Cap.; G.T. Japan; Intl. Inv. Tst. Jersey; General Funds Conv.

OILS (6)

Cambridge Pet.; Hunting Petroleum 10pc Cnv. Ln. 1997; Genoa NL; Sceptre Res.; Weeks Australia

PLANTATIONS (1)

Harrisons Malaysian

MINES (7)

Middle Wit.; Paringa Mining; Keywest Expl.; Sons of Gwalia; Kitchener NL; Homestake Mining; Metals Ex.

NEW LOWS (12)

BANKS (1)

Grindlays

BUILDINGS (1)

Crouch (D.)

ELECTRICALS (1)

Eurotherm Int.

ENGINEERING (2)

Danks Gowerton; Wellman

INDUSTRIALS (4)

Bibby (J.); Pentlow; Blundell Permoglaze; Transport Serv. Wts.

PROPERTY (1)

Scot. Metrop.

TEXTILES (2)

Corah; Nova Jersey

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	6	70	26
Corpns. Dom. and Foreign Bonds	—	17	60
Industrials	127	374	868
Fin. and Props.	50	151	316
Oils	27	28	57
Plantations	2	5	14
Mines	49	39	75
Others	76	46	70
Totals	337	730	1,486

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3

For rate indications see end of Share Information Service

Money was given for the call in Tozer Kemsley and Millbourn, Britannia Arrow, Premier Oil, Sun Oil Royalties, John Brown, Cultus Pacific, Sound Diffusion, Sears, Mettoy, Atlantic Resources, Town and City Properties, First National Finance, Spring Grove, Abwood and Bairstow Eves. Puts were done in ICI, Dunlop and BL, while doubles were arranged in Erskine House, North Kalgurli and Edenspring.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or
[illegible]							

[illegible] yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ◎ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aran Energy	42	+ 1
Assoc. Dairies	166	+ 2
Atlantic Res.	290	+15
BAT Industries	138	− 4
BOC	218	− 4
Babcock International	165	− 9
Boots	167	− 4
Bowater	209	− 3
GRE	502	−14
ICI	542	− 8
Metana Mining	150	+22
Western Mining	278	−12

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Ladbroke Group	16	214	−13
ICI	13	550	+16
GUS "A"	12	520	−10
Cable & W'less	11	500	− 5
Royal Insurance	11	525	− 8
BTR	10	538	− 7
Boots	10	171	− 6
Edenspring Inv.	10	12¾	+ 0¾
Lasmo	10	335	−15
Midld. Bk. New	10	78pm	− 2
Glaxo	9	820	+25
London Brick	9	88	− 2
RTZ	9	662	+ 2
Racal Elect.	9	465	− 5

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
[illegible]							

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*464)	460	23	47	57	18	22	26
[illegible]							

Aug. 31 Total Contracts 1449 Calls 729 Puts 720

* Underlying security price.

BRITISH FUNDS

“Shorts” (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102⅝	100⅜	Exch. 13½pc '83	100⅜	......	13.41	9.74
100	98	Exch. 10pc 1983	100	+	9.99	9.84
98	96¼	Funding 5½pc '82-84‡‡	98	+	5.57	8.66
101¼	99½	Exch. 11¼pc 1984	100	−	11.18	9.80
104⅝	102⅛	Exchequer 14pc 1984	102	−	13.70	10.61
95	92½	Exch. 3pc 1984	94	......	3.17	10.02
102	100	Treasury 12pc 1984	101 xd	......	11.84	10.68
107	104	Treasury 15pc 1985	105	−	14.27	11.10
107	101	Exch. 12pc Cnv. '85	101	−	11.84	11.05
91⅝	88⅝	Treasury 3pc 1985	90	−	3.30	8.85
102	99⅞	Treasury 11½pc 1985	100	−⅛	11.46	11.26
102	95	Treas 8¾pcCnv '85	96 xd	......	9.05	10.62
103⅝	100⅛	Exch. 12¼pc 1985	101	+⅛	12.05	11.30
102	99	Exch. 11¾pc '86	100⅝	−⅛	11.71	11.55
40⅝	40	Tr. 10pc Cnv'86 (£40pd)	40¼	−	10.26	11.14
88½	85⅝	Treasury 3pc 1986	86	−	3.47	8.65
101	97	Exch. 10½pc Cv '86	97	......	10.75	11.48
103	100	Treasury 12pc '86	100	−	11.92	11.65
94⅝	94⅝	Treasury 8¾pc '84-86‡‡	94	+	8.98	10.68
114	103¼	Treas. 12¼pc '86 Cnv.	104½	−⅛	11.72	10.35
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
81	75	Do 6¾pc '88-90	78	......	8.76	11.70
26¾	23¼	Do. 3pc '20 Aft.	24½xd	......	12.42	—
102½	100	Sunderland 12¼pc 1984	101½	−	12.08	10.96

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100¾	94¾	Aust. 6pc 1981-83	100⅝	......	6.07	10.37
78¾	74¾	N.Z. 7¼pc 1988-92	77½xd	......	9.54	11.65
92¾	88¾	Do. 7½pc '83-86	90½xd	......	8.46	12.39
181	158	S. Rhod. 2½pc Non-Ass.	181	......	—	—
86	74	Do. 3½pc 80-85 Assd.	82	......	4.35	14.80
57	44	Do. 4½pc 87-92 Assd.	54	......	8.36	13.90
395	321	Zimbabwe Ann (£100pa)	390	......	—	14.51

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
282	190	ANZ SA1	282	+7	Q28c	3.1	5.7	5.7
295	235	Alexanders D. £1	238xd	−1	20.0	—	12.0	—
£93	£66	Algemene Fl.100	£81xd	......	vQ26%	1.8	7.1	7.8
157	89	Allied Irish	138	−5	Q49%	4.2	6.9	4.7
110	77	Ansbacher (H.) 50p	87	−3	3.5	—	5.7	—
275	170	Bk. Ireland £1	247	−8	hQ24.9	—	7.9	—
3½	1½	Bank Leumi	1¾	......	—	—	—	—
170	130	Bk. Leum (UK) £1	150xd	......	10.15	—	9.7	—
525	420	Bank Scotland £1	505	−8	24.0	3.6	6.8	4.5
534	385	Barclays £1	465xd	−2	†22.0	3.6	6.8	4.6
310	235	Brown Shipley £1	308xd	......	7.75	—	3.6	—
410	315	Cater Allen £1	360	......	26.95	—	10.7	—

FT LONDON SHARE INFORMATION SERVICE

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
495	344	Initial	487	+2	12.75	2.2	3.7	14.6
73	27	Inter-City 20p	73	+2	—	—	—	—
185	158	[illegible]	185	.....	u4.0	1.8	3.1	25.7
208	165	Jacksons Bourne	195xd	.....	5.0	ϕ	3.7	ϕ
39½	19	James Inds. 10p	34	−2	1.25	1.5	5.3	18.6
160	99	Jardine M HK$5	114	+1	Q80c	2.1	6.8	18.1
42	18	Jenks & Cattell	42	+1	1.06	0.5	3.6	(40)
349	282	Johnson Clnrs.	317	−3	†10.8	2.8	4.9	8.8
340	265	Johnson Mthy. £1	283	−2	10.0	2.0	5.0	(11.9)
385	228	Johnston Grp. 10p	375	−1	6.0	5.0	2.3	12.6
102	87	Jourdan (T.) 10p	92	.....	5.6	1.2	8.7	12.7
64	39	Kalamazoo 10p	59	−1	2.5	0.9	6.1	26.4
60	35	Kean & Scott Hldgs	51	−2	M1.0	—	2.1	—
23	9¼	Keep Trust 5p	11½	−½	0.15	—	0.2	—
210	140	Kelsey Inds.	183	.....	8.0	1.7	6.2	12.6
155	110	Kershaw (A.) 5p	140	.....	‡15.0	0.6	‡	(28.5)
61	39	Kleen-E-Ze Hldgs.	61	.....	3.0	ϕ	7.0	ϕ
*96	52	L.C.P. Hlds	90	−2	3.6	2.2	5.7	(28.3)
32	14	LDH Group	28	.....	—	—	—	—
145	103	L.R.C. Int. 10p	123	−3	3.25	2.3	3.8	14.6
32	17	Lamont Hldgs. 10p	27	.....	1.3	1.8	6.9	10.6
40	26	Lawtex	36	.....	—	—	—	—
460	345	Lep Group 10p	460	+5	17.5	0.5	5.4	63.8
36	22	Lilleshall 10p	31	.....	d1.0	—	4.6	—
950	61	Lon. & Lh. 10p	65	−4	b2.75	3.5	6.0	5.8
140	102	London & Mid'd	130xd	−1	7.75	ϕ	8.5	ϕ
*110½	38	Lon. & Nthn. Grp.	86	.....	F4.2	ϕ	7.0	12.1
40	23	‡Lon. Priv. Health	28	.....	—	—	—	14.0
65	46	Longton Inds.	57	+1	1.0	—	2.6	—
120	70	Low & Bonar 50p	100	.....	5.0	0.6	7.1	(40.0)
46	32½	MCD Group	46	+1	u1.0	2.2	3.1	21.0
87	62	MMT Computing 5p	85	.....	b1.68	2.6	2.8	19.8
26	16	M.Y. Dart 10p	24	.....	0.1	—	0.6	—
212	135	M'c'rthy Ph. 20p	156xd	.....	7.0	ϕ	6.4	ϕ
148	128	Macfarlane Gp.	146	−1	3.52	2.1	3.4	17.9
46	34	Maclellan 20p	34	.....	d1.5	1.6	6.3	12.2
63	48	Macpherson (D.)	58	.....	4.2	0.6	10.3	(42)

LEISURE

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
78	69	A-R TV Pref. £1	73½	.....	5.95	17.8	25.4	—
103	93	‡Adam Leisure 10p	96	.....	bd2.0	2.9	2.2	19.5
141	114	Anglia TV 'A'	138	.....	6.5	2.7	6.7	7.0
110	85	Assoc. Leisure 5p	110	+2	h4.13	2.1	5.4	15.5
128	72	Barr & W.A.T. 'A'	122	−1	5.0	1.3	5.9	(17.8)
100	40	Black & Edgtn.	90	−1	ϕ—	—	—	23.8
178	118	Boosey & Hawkes	168	.....	2.3	1.5	2.0	(42)
61	40	Campari Int. 20p	59	.....	d2.73	1.2	6.6	(16.8)
36	23	Farline Boats 10p	36	.....	†d1.0	—	4.0	—
31	14½	GRA Group 5p	29	.....	—	—	—	37.3
58	45	Grampian TVA 10p	57	.....	3.6	2.9	9.4	4.4
163	136	HTV Non/Vtg.	162	.....	11.0	2.0	9.7	7.2
222	125	Horizon	128	−2	†3.6	5.7	4.0	5.5
162	91	Intasun 10p	141	.....	4.0	4.5	4.1	6.8
60	29	‡Intervision Video 10p	30	.....	1.0	2.1	3.5	15.3
370	258	Juliana's Hldgs 2p	357	+7	b4.9	2.4	2.0	25.9
171	139	LWT "A"	171	.....	11.08	1.1	9.3	13.7
*147	67	Leisuretime Int 10p	70	.....	g1.54	ϕ	3.2	ϕ
328	108	Mngmt. Ag. M. 10p	117	.....	8.75	1.6	10.7	8.5
60	52	Medminster 10p	53	.....	†4.0	0.8	10.8	16.7
170	168	‡Miss World Grp 10p	168	.....	b3.0	2.5	2.4	24.3
23	17½	‡Nationwide 5p	22	.....	—	—	—	—
128	53	‡Nimslo Int 20c	66	+1	—	—	—	—
128	45½	Norton Opax 10p	123	.....	t2.17	4.3	2.5	8.8
29	22½	‡Owners Abroad	26½	+1	0.5	4.5	2.7	11.9
47	36	Photax (Lon.)	40	.....	—	—	—	—
153	90	‡[illegible] 10p	120	.....	gd1.5	2.1	1.8	29.6
340	217½	Pleasurama 5p	325	.....	t5.75	4.5	2.5	19.4
173	108	‡Radio City 'A' NV	125	.....	g5.6	1.6	6.5	13.3
209	138	Riley Leisure 10p	199	−3	3.95	1.7	2.8	27.7
132	84	Saga Hols. 20p	100	.....	d3.73	—	5.3	—
515	345	Samuelson Grp £1	405	.....	td12.0	2.8	4.3	13.9
108	94	Scott. TV 'A' 10p	107	.....	7.35	2.2	9.8	6.6
68	28	‡SelecTV 10p	40	.....	—	—	—	—

For Strikes Rests. see Hotels

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
24	15½	TSW 5p	20	.....	0.9	3.3	6.4	6.8
67	30	‡TVS N/Vtg 10p	67	.....	—	—	—	36.9

MINES—continued

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	220	.....	Q70c	4.3	24.9
23	16	Wankie Col. Z$1	22	.....	Q5c	0.7	13.3
28	18	Zam.Cpr SBD0 24	19	.....	—	—	—

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

MOTORS, AIRCRAFT TRADES

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

INSURANCES

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

OVERSEAS TRADERS

PLANTATIONS

MINES

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	113.4	119.5	-0.7	—
Do. Initial	110.4	116.3	-1.1	—
Man. Pens. Accum.	241.2	253.9	.....	—
Do Initial	200.3	210.9	.....	—
Gilt-Edg Pens. Accum.	201.7	212.4	.....	—
Do. Initial	161.2	169.7	.....	—
Money Pens. Accum.	184.6	194.4	.....	—
Do. Initial	149.5	157.4	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		229.59	.....	—
Managed Inv. Fd.	155.62	163.82	.....	—
Property Fd.	149.64	157.52	.....	—
Fixed Interest Fd.	140.23	147.62	.....	—
Cash Fd.	134.87	141.97	.....	—
Income Fd.	170.44	179.42	.....	—
Extra Income Fd.	160.24	168.68	.....	—
Worldwide Growth Fd.	252.00	264.27	.....	—
Balanced Fd.	172.34	181.42	.....	—
Smlr Co's & Recv. Fd	202.40	213.06	.....	—
Int. Technology Fd	266.62	280.66	.....	—
Nth. Amer. & Gen. Fd.	169.81	178.75	.....	—
Energy Int. Fd.	105.73	111.30	.....	—
Pacific Basin Fund	134.6	141.44	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath, 0444 414111

Managed	107.6	113.3	.....	—
Property	106.4	112.0	.....	—
Equity	96.3	101.4	.....	—
International	125.5	132.1	.....	—
Fixed Interest	97.7	102.8	.....	—
Deposit	98.6	103.8	.....	—
Managed Pen. Cap.	108.9	114.6	.....	—
Property Pens. Cap.	106.1	111.7	.....	—
Equity Pens. Cap.	93.4	98.3	.....	—
Intnl. Pens. Cap.	131.4	138.3	.....	—
Fixed Int. Pens. Cap.	96.2	101.3	.....	—
Deposit Pens. Cap.	97.0	102.1	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Aug 30		96.2	.....	—
Rtmt. Fed. Aug 6		255.4	.....	—
Managed Pen Fund	175.4	184.7	.....	—
Property Pen Fund	113.6	119.6	.....	—
Index Lnkd Pen Fund	108.5	114.2	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	117.4	123.6	-0.9	—
GT Pln High Yld Fnd	118.0	124.3	.....	—
GT Plan Far East Fnd	112.0	117.9	.....	—
GT Pln N Am Fund	138.1	145.4	.....	—
GT Pln UK&G.E. Fnd	136.3	143.5	.....	—
GT Pln Wrldwde Fnd.	133.3	140.4	+1.4	—
GT Pension Bnd Fnd.	126.6	133.3	-0.9	—
GT Pen High Yld Fd	134.9	142.0	+0.5	—
GT Pen Far East Fd	135.9	143.1	.....	—
GT Pen N. Am. Fd.	201.3	211.9	.....	—
GT Pen UK & G.E. Fd.	158.3	166.7	+0.4	—
GT Pen Worldwide Fd.	142.3	149.8	+1.6	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	163.2	171.8	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		247.1	.....	—
Portfolio Fd. Init.		205.6	.....	—
Portfolio Fd. Cap.		236.6	.....	—
Investment A/cs.	247.0	260.1	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,153	.....	—
Landbank Secs.		65.87	.....	—
Landbank Ses. Acc.	183.7	188.6	.....	—
G. & S. Super Fd.		£11.2814	.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	302.8	315.3	+1.1	—

GRE Linked Assurance Limited

Managed Initial	207.2	218.2	-0.8	—
Do. Accum.	229.4	241.5	-0.7	—
Equity Initial	263.6	277.5	-1.0	—
Do. Accum.	291.8	307.2	-1.0	—
Fixed Int. Initial	185.8	195.6	-0.8	—
Do. Accum.	205.7	216.5	-0.9	—
International Initial	210.0	221.0	+2.2	—

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

Nigeria is sixth Tinpec member

BY RICHARD MOONEY

NIGERIA has joined the Association of Tin Producing Countries (ATPC) which aims to stabilise tin prices and promote co-operation in marketing and research.

The association now has six members—Malaysia, Indonesia, Thailand, Bolivia, Zaire and Nigeria—who between them control more than 90 per cent of world tin supplies. Officials at its Bangkok headquarters hope that Australia, which accounts for about 7.5 per cent, will join soon.

The ATPC was formed earlier this year partly because of dissatisfaction with the operation of the International Tin Agreement (ITA), which has consumer members as well as producers. It will hold its first ministerial meeting in Bangkok at the end of September.

On the London Metal Exchange yesterday tin prices were held up in the face of steady selling pressure only by support buying on behalf of the ITA buffer stock. Cash standard tin ended £55 up at £8,577.50 a tonne.

The copper market lacked support and continued to drift. Dealers said the physical market is in its seasonal quiet period while speculative interest has been diverted to the aluminium and zinc markets. The £5 fall in the cash high grade price to £1,061.50 a tonne was also influenced by the strength of the dollar and a 1.7 per cent cut in U.S. factory orders in July.

Zinc was strongest among the base metals with the cash LME quotation rising £3 to £579.50 a tonne, spurred by a $30 producer price rise to $880 a tonne announced by Metallgesellschaft of West Germany.

Producer prices rose from $820 to $850 a tonne last month and a rise to $900 a tonne is now anticipated in many quarters.

The zinc price rise, which has lifted LME quotations to nine-year peaks, reflects the upturn in the U.S. motor industry which has boosted the die-casting and galvanised steel sectors.

Heavy bidding for licences

BY OUR COMMODITIES STAFF

AUTHORISATION OF 61,350 *tonnes of white sugar for* export at yesterday's weekly EEC tender, up from 52,050 tonnes last week, was seen by traders as "quite constructive" as it reflected heavy bidding for licences for end of year shipment.

But nearby futures prices on the London market finished a couple of pounds below the day's peaks with the December position £1.675 up on balance at £182.75 a tonne. In the morning the London daily raw sugar price was fixed £4.50 higher at £164 a tonne.

The EEC Commission also *authorised 10,000 tonnes of raw* sugar for export through French houses.

In Rio de Janeiro, meanwhile, the Group of Latin American and Caribbean Sugar Exporters (Geplacea) were discussing alternative proposals for a new International Sugar Agreement (ISA), reports Reuter.

At a meeting attended by 18 of the 21-member group, delegates scrutinised proposals by the EEC, Brazil, Australia and former Argentine agriculture minister Jorge Zorreguieta.

Imitations knock holes in Swiss cheese sales

By John Wicks in Zurich

SWISS CHEESE exports are suffering from the increasing sale of Emmentaler imitations in major European markets. The Swiss Cheese Union says these foreign imitations have a "considerable price advantage" over Swiss Emmentaler.

Largely because of this, Switzerland's exports of hard cheese dropped by 6.5 per cent to 47,344 tonnes in the marketing year ended July 31, 1983. As much as 83.4 per cent of this total was accounted for by Emmentaler, 12.1 per cent by Gruyere and 4.5 per cent by the grating cheese Sbrinz.

● THE Agricultural Mortgage Corporation says the rate *charged to existing variable* rate borrowers whose loans are reviewed quarterly will be reduced from 12 per cent to 11.5 per cent. This rate will remain in force until the next review date on December 1.

● THE U.S. has asked Japan to hold bilateral grain talks on September 16 but the Japanese government has not yet decided whether to agree. The annual talks aim to exchange information of supply and demand of U.S. grains to stabilise supplies to Japan.

● MR P. C. LUTHER, a senior Indian civil servant, has taken over as chairman of the State Trading Corporation.

● SRI LANKA has lifted a ban imposed on exports of coconut oil and copra after the industries were hit by last month's ethnic violence.

● SOCIETE Generale des Minerais is likely to raise its cadmium price in response to strong market demand but will not make any official announcement of an increase.

Slow progress likely on stockpile buying

Nancy Dunne explains why strategic purchases are more attractive in theory than in fact

IF THE managers of the U.S. strategic stockpile of 93 non-fuel commodities intend to bring stocks up to levels they have already targeted, then purchases ought to be made before economic recovery drives up raw materials prices.

This conclusion, contained in a study released by the Congressional Budget Office (CBO) last week, is likely to be heartily endorsed in principle but ignored in fact by the Reagan Administration and the Congress.

While the General Services Administration (GSA), which manages the stockpile, is accepting bids this week for up to 4,500 short tonnes of titanium and up to 6.5m pounds of cobalt, these acquisitions will be the only major purchases of 1983.

According to the CBO, it would cost about $11bn to bring *the stockpile up to desired* strength. Within the vast U.S. budget for military expenditures, Congress has authorised only $57.6m in 1982 and $120m in each of the fiscal years of 1983 and 1984 for purchases.

The $11bn figure is based on estimates of mineral demands associated with a three-year mobilisation effort.

While no-one expects the stockpile to reach its full strength in the foreseeable future, both the Administration and many in Congress would like larger stocks of materials produced in South Africa and Zaire, such as chromium, platinum, manganese and cobalt, where the risks of supply disruption appear to be the greatest.

Yet political and budget realities have slowed both acquisitions and sales. If the stockpile managers were allowed by Congress to sell all excess stocks, then about $4bn could be raised, the CBO reported.

Authorisation of sales has *been hampered by fears and* charges of market disruption by both domestic and foreign producers.

U.S. silver mining interests put an end to the disposal of silver last year by successfully pressuring Mr James Watt, the Interior Secretary, to halt release of a study which Congress ordered completed by July 1982.

Without the study, there is little chance that the sales will go forward, but as the CBO points out, surplus silver sales could raise $1bn at current prices.

The GSA has been slowly selling its tin surplus, but in order to blunt criticism of the sales by the Asean countries, it has now agreed to limit disposals to 3,000 tonnes per year.

U.S. dependence on foreign supplies of non-fuel minerals has caused considerable concern within the Administration. Of the 29 most strategic and critical minerals, U.S. dependence on imports exceeds 90 per cent for 10 and is between 50 *and 90 per cent for 13*, the CBO said.

"Obviously, the U.S. economy, including defence and other industrial production, would be severely crippled if all imports of all these materials were cut off," the report said.

However, it concluded that not only has such a contingency never occured, even in wartime, "but the probability of such an event in the future is extremely low."

The CBO figures that U.S. minerals imports are more likely to be interrupted by political or economic crisis, which would last a relatively short time, than by war.

U.S. suppliers have sophisticated contingency plans for such interruptions and most maintain inventories at levels which would permit time to arrange alternative supplies or substitutes, the CBO decided.

It also deemed unlikely the formation of powerful mineral cartels since efforts to establish them in the past have failed.

However, reliance on Southern African supplies remain a significant, if not primary, concern.

The GSO said: "The U.S. may some day be compelled, for political reasons, to participate in an embargo on all imports from South Africa."

Meanwhile, not only does the stockpile lack sufficient funds for acquisitions, it hasn't enough financing to undertake inventories needed of all its *materials, the CBO said.*

The inspector-general of the GSA has six times in the past decade issued reports charging that materials have been stolen or otherwise disappeared.

"It seems clear that Government purchase, storage and sale of stockpiled raw materials *operate* under severe institutional handicaps, the CBO said.

The stockpile managers are hoping to acquire some of the materials needed through barters, and a tin-for-rubber swap with the Asean nations is under consideration.

In the meantime, the CBO recommended a foreign policy review of diplomatic efforts which "might yield substantial benefits without significant costs to other U.S. interests."

Tax surcharge complaint

By Our Commodities Staff

THE INVESTMENT income surcharge tends to restrict the size of the tenanted farm sector, the Chancellor of the Exchequer has been told by Lord Middleton, president of the Country Landowners' Association.

In a letter, he said the surcharge discouraged landowners from letting land to tenant farmers and elderly farmers from retiring because income from realised capital would be taxed as unearned.

He also called for the abolition of capital gains tax and cuts in capital transfer tax which had a serious effect on owner-occupied farms.

Soyabean prices could rise even higher

BY RICHARD MOONEY

U.S. soyabean prices, which have already been boosted about 50 per cent in the past two months because of drought damage to the crop, could rise another 20 per cent from present levels if gloomy crop *projections* prove correct, according to U.S. Department of Agriculture (USDA) officials and private traders.

The USDA estimated the crop as at August 11 at 1.84bn bushels, down about 19 per cent from last year, but with the drought continuing some analysts are now predicting that the crop will fall to between 1.5bn and 1.6bn bushels.

This could put futures prices on the Chicago market up from $9 a bushel at present to between $10 ando $11 a bushel, the traders predict.

But U.S. analysts do not expect supplies to reach dangerously low levels. High prices will have a rationing effect on domestic and export demand which will keep overall demand in line with supply, they say.

A technical reaction against the previous rise trimmed soyabean prices on the Chicago market at the beginning of this week.

This was reflected on the London soyabean meal market which fell £15.60 to £192.55 a tonne in the December position on Tuesday. Prices remained about steady yesterday.

In Moscow the Central Statistics Board reported that Soviet farmers harvested 10.6m hectares of grain last week, a much lower figure than at the same time last year, reports Reuter.

In some ares work was hampered by bad weather.

A report published in the Government daily Izvestia said that on August 29 the total harvested area was 86.3m hectares compared with 81.1m the same time last year.

But farmers worked substantially faster in the last week of August 1982, cutting grain from more than 16m hectares.

Izvestia reported that there had been major difficulties in important growing zones of the Urals region, especially in the southern areas around Chelya*binsk and Kurgansk.*

It said heavy rainfalls there had been followed by cold weather, and as a result the grain was drying very slowly and was still too wet to be cut by combine harvesters.

Singapore diamond plan

By Chris Sherwell in Singapore

SINGAPORE'S diamond dealers hope to establish a diamond exchange by early next year to make buying and selling operations more efficient.

Mr John Pinsler, secretary of the Diamond Importers Association of Singapore, said yesterday that he expected 200 members to join the proposed exchange initially, and that it would eventually replace the existing association.

The difference would be that dealers could trade with each *other* more easily—a greater variety of stones would be on offer at fairer prices. The exchange, he said, would be "completely independent" of the authorities.

PRICE CHANGES

In tonnes unless stated otherwise	Aug. 31 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£950
Free Mkt	$1061/1070	....	$1545/575
Copper			
Cash h grade	£1061.5	—5	£1131.5
3 mths	£1088.25	—5.5	£1146.25
Cash Cathode	£1027.5	—8.75	£1087
3 months	£1054.5	—6.0	£1114
Gold troy oz	$414.625	—3.25	$411.875
Lead Cash	£264.25	+0.5	£264.25
3 months	£273.875	+0.25	£274.25
Nickel	£4625.95	....	£4625.95
Free mkt	223/232c	—3	218/38c
Palladium	$146.50	—1.75	$148.50
Platinum	£291.70	+0.45	£292.40
Quicksilver†	$280/290	....	$280/290
Silver troy oz	803.35p	—15.65	786.90p
3 mths	822.00p	—16.50	805.60p
Tin cash	£8577.5	+55	£8577.5
3 month	£8702.5	+50.5	£8672.5
Tungsten	$84.32	....	$82.73
Wolfsm 22.04 lb	$73/77	....	$76/78
Zinc Cash	£579.5	+3	£516
3 mths	£596	+3.5	£531.25
Producers	$850	....	$820

—	Aug. 31 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$946y	—45	$1010
Groundnut	‡	....	£800
Linseed Crude	‡	....	£360
Palm Malayan	$620v	....	$475
Seeds			
Copra Phill	‡	....	$660
Soyabean (U.S.)	$342.50w	—14.75	$300.5
Grains			
Barley Fut. Nov	£118.50	—0.50	£115.60
Maize	£143.50w	....	£142
Wheat Fut. Nov	£124.60	—0.85	£120.20
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1558.5	+4.5	£1784
Fut. Dec	£1524.5	+11.0	£1728
Coffee Ft. Nov	£1714.5	+4.5	£1659
Cotton A. Index	92.15c	+0.55	89.65c
Gas Oil Sept	$25.650	—1.75	$257.25
Rubber (kilo)	79.25p	+0.75	82p
Sugar (Raw)	£164.00zv	—4.5	£193.5
Woolt'ps 64s	392p kilo	....	365p kilo

‡ Unquoted. z Aug-Sept. u Nov. y Sept-Oct. x Oct-Nov. w Sept. v Oct. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.85-28.90	+0.05
Iranian Light	28.15-28.20	—
Arabian Heavy	26.65-26.70	—
North Sea (Forties)	30.50-30.55	+0.05
North Sea (Brent)	31.10	+0.05
African (Bonny L'ht)	31.15	+0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	305-309	—1.5
Gas oil	253-258	—3.0
Heavy fuel oil	171-173	—

GAS OIL FUTURES

Stock figures in the U.S. had a dampening effect, leading to an unchanged opening in active trading despite a steadier New York. Prices continued to weaken during the morning, rallying briefly at mid-day before slipping back again during the after*noon to reach the lows on the close.*

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Aug	255.25	—0.75	255.25-53.75
Sept.	256.50	—1.75	258.25-56.00
Oct	259.00	—2.25	261.25-58.00
Nov.	262.25	—2.00	264.00-62.25
Dec	264.50	—2.00	265.25-64.50
Jan	263.25	—2.50	265.00-64.00
Feb.	260.25	—1.75	261.50-60.25
Mar.	256.00	—2.00	258.25-56.00
April	260.75	+0.75	—

Turnover: 2,933 (1,560) lots of 100 tonnes.

GOLD MARKETS

Gold fell $3¼ to $414¼-415 on the London bullion market. It opened at $415½-416¼, and was fixed at $414.50 in the morning, and $414.25 in the afternoon. Gold touched a high point of $415½-416¼, and a low level of $413-413¾.

In Paris the 12½ kilo gold bar was fixed at FFr 108,200 per kilo ($412.95 per ounce) in the morning, compared with FFr 108,500 ($414.19) in the morning, and FFr 108,900 ($418.50) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 36,205 per kilo ($416.01 per ounce), against DM 36,260 ($420.05) previously.

and closed at $414¼-414¾ ($417¾-418¼).

In Zurich gold finished at $413-416 ($416¼-416¾).

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Sept	411.00-16.5	—5.25	—
Oct.	417.70-18.2	—3.95	418.50-16.8
Nov.	418.00-23.5	—4.75	—
Dec.	425.60-25.7	—3.78	426.00-24.0
Jan.	427.50-30.0	—3.45	—
Feb.	432.60-35.4	—3.75	—
Mar	434.50-38.0	—4.66	—

Turnover: 642 (496) lots of 100 troy ounces.

	Aug 31		Aug 30	
Gold Bullion (fine ounce)				
Close	$414¼-415	(£277½-278)	$417½-418¼	(£278¾-279¼)
Opening	$415½-416¼	(£279-279½)	$418-418¼	(£278¼-278¾)
Morning fixing	$414.50	(£278.001)	$418.85	(£279.326)
Afternoon fixing	$414.25	(£277.554)	$418.10	(£279.255)

Gold Coins Aug 31					
Krugrnd	$427-427½	(£286-286½)	King Sov	$100-101½	(£67.68)
½ Krg	$219¾-220¾	(£147½-148)	Victoria Sov	$100-101½	(£67.68)
¼ Krg	$112-115	(£75-75¾)	French 20s	$83-84¼	(£56¼-56¾)
1/10 Krug	$45½-46½	(£30½-31¼)	50 pesos Mex	$506-508	(£339-340½)
Mapleleaf	$427-428	(£286-286¾)	100 Cor. Aust	$408-412	(£273¼-276)
New Sov	$97½-98	(£65¼-65¾)	$20 Eagles	$595-605	(£398½-405¼)
½ New Sov	$58-60	(£38¾-40¼)			

EUROPEAN MARKETS

ROTTERDAM, August 31.

Wheat—(US$ per tonne): U.S. Two Red Winter Sept 165.25, Oct 173.25, Nov 175.25, Dec 176.25. U.S. Northern Spring 14 per cent protein Sept 186.50, Oct 186, Nov 188, Dec 191. U.S. Three Amber Durum Sept 206, Oct 209, Nov 211, Nov 20/Dec 20 212. April/May 219.

Maize—(US$ per tonne): U.S. Three Yellow Aug 165, Sept 161, Oct 158.50, Nov 158.50, Dec 159.75, sellers. Argentine: Afloat 169, Aug 169, sellers.

Soyabeans—(US$ per tonne): U.S. Two Yellow Gulfports Sept 336.50, Oct 339, Nov 341, Dec 345, Jan 350, Feb 353, Mar 356, April 366, sellers.

Soyameal—(US$ per tonne): 44 per cent afloat 275, Aug 273, Sept 273, Oct 276, Nov/Mar 275 sellers. After Nov/Mar 276/275 traded. Pellets Brazil *arrived 282, Aug 282, Sept 286*, Oct 281, Oct/Dec 301 sellers. Pellets Argentine afloat 281, Aug 281, Sept 283, Oct 285, Jan/Mar 300 sellers.

PARIS, August 31.

Cocoa—(FFr per 100 kg): Sept 1776-1800, Dec 1859-1860, March 1878-1880, May 1900-1910, July 1930 bid, Sept 1950 bid, Dec 1960 bid. Sales at call: 1.

Sugar—(FFr per tonne): Oct 2252-2254, Dec 2430-2440, March 2630-2635, May 2700-2710, Aug 2775-2785, Oct 2830-2840. Sales at call: 4.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES made renewed progress on the London Metal Exchange with the notable exception of Copper which eased to close at £1,086.75 owing to persistent small selling throughout the session. Zinc continued to move ahead, boosted by news of a producer price rise by MG which lifted its European quotation by 30 to $880. Forward zinc rose to £593.75, after £596.5. Aluminium was finally £1,132.5 owing to currency considerations and Commission House buying which offset trade selling. A substantial two-way business was seen in Nickel which closed at £3,437.5, after extremes of £3,453 and £3,429. Buffer stock support lifted forward standard Tin to £8,717.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1059-60	—3.25	1061-2	—5
3 months	1086.5-7	—8.25	1088-.5	—5.5
Settlem't	1060	—3	—	......
Cathodes				
Cash	1027.5-8	—7.75	1027-8	—8.75
3 months	1054-.5	—5.5	1054-5	—8
Settlem't	1028	—7	—	......
U.S. prod.	—	—	*77-81	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,060.50, 60, three months £1,088, 88.50, 89, 88.50, 87, 87.50, 87, 86, 87, 86.50. Cathodes: Cash £1,028, three months £1,055, 54, 54.50. Kerb: Higher Grade, three months £1,086, 86.50, 87, 87.50, 88, 87.50. Afternoon: Higher Grade, three months £1,088.50, 89, 88.50. Cathodes: Cash £1,028, three months £1,056. Kerb: Higher Grade, three months *£1,087, 86.50*, 86.50, 87. Turnover: 24,750 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8570-90	+82.5	8575-85	+50
3 months	8705-10	+85	8705-10	+50
Settlem't	8590	+85	—	......
Standard				
Cash	8565-6	+73	8575-80	+55
3 months	8690-3	+74	8700-5	+58.5
Settlem't	8566	+71	—	......
Straits E.	:$30.31	......	—	......
New York				

Tin—Morning: Standard, cash £8,565, 66, three months £8,720, 10, 8,690, 95, 90, 98, 8,700, 8,695. Higher Grade: Cash £8,585. Kerb: Standard, three months £8,695, 94, 95, 8,700. Higher Grade: Three months £8,705. Afternoon: Standard, three months £8,695, 90, 93, 95, 8,700. Higher Grade: Three months £8,705. Kerb: Standard, three months £8,705, 10, 15, 20. Higher Grade: Three months £8,715. Turnover: 1,960 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	263-.5	—.125	264-.5	+.5
3 months	273-.25	......	273.75-4	+.25
Settlem't	263.5	......	—	......
U.S. Spot	—	......	*19-24	......

Lead—Morning: Cash £263.50, three months £273, 73.50, 73. Kerb: Three months £273. Afternoon: Cash £263.50, 64.25, three months £273, 73.50, 74. Kerb: Three months £274. Turnover: 8,125 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	579-80	+15.5	579-80	+3
3 months	595-.5	+15.5	595.5-6.5	+3.5
Settlem't	580	+15.5	—	......
Primw'ts	—	......	*43-.75	......

Zinc—Morning: Three months £596, 97, 96, 95.50. Kerb: Three months £596, 95.50, 95, 94. Afternoon: Three months £595, 96, 96.50. Kerb: Three months £596, 95, 94. Turnover: 17,750 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1088-1100	......	1103.5-4	+2.75
3 months	1126-.5	......	1131.5-2	+2

Aluminium—Morning: Three months £1,130, 29, 28.50, 28, 27.50, 28, 28.50, 28. Kerb: Three months £1,128.50. Afternoon: Three months £1,129, 29.50, 30, 31, 32, 32.50, 32. Kerb: Three months £1,132, 31, 30, 29, 28, 28, 30, 30.50, 31, 32. Turnover: 18,600 tonnes.

HIDES

HIDES — Birmingham (Manchester). Second clears. Ox 31-35.5 kg 79.6p a kg (79.6p withdrawn). 26-30.5 kg 80.0p a kg. (80.0p withdrawn). 22-25.5 kg 91.0p a kg (91.2p); Cows 25.5 kg 88.0p a kg (87.4p).

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3345-55	+61.5	3350-50	+24
3 months	3435-40	+12	3439-40	+21

Nickel—Morning: Three months £3,440, 45, 50, 52, 53, 51, 50, 45, 42, 40, 35, 30, 35, 31, 30, 29, 30, 40. Kerb: Three months £3,435. Afternoon: Three months £3430, 28, 30, 32, 35, 38, 37, 38, 39, 40. Kerb: Three months £3,440. Turnover: 3,216 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

LME—Turnover: 119 (96) lots of 10,000 ounces. Morning: Three months 822.5, 23.5, 22.5, 23.0, 22.5, 22.0. Kerb: Three months 822.0, 21.5, 22.0, 22.5, 23.0, 22.5. Afternoon: Three months 826.0. Kerb: Three months 826.0, 28.0, 27.0, 27.5.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoff'ic'l	+ or —
Spot	803.35p	—15.6	808.75p	—9.25
3 months	822.00p	—16.5	832.75p	—10.0
6 months	841.70p	—17.6	—	......
12 months	883.25p	—17.1	—	......

COCOA

The market failed to sustain the early rally following a firmer New York close as long liquidation of the nears, before the first tender day on September, depressed values. Little first land interest from producers or consumers was apparent and the market traded in a narrow range until the close when jobber short covering and arbitrage buying steadied prices, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept.	1482-85	+4.5	1497-78
Dec	1524-25	+11.0	1534-16
March	1533-34	+14.0	1535-18
May	1544-45	+13.0	1550-29
July	1553-55	+12.0	1554-40
Sept.	1557-60	+6.5	1558-45
Dec	1567-68	+6.0	1568-58

Sales: 4,456 (3,778) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for Aug 31: 100.48 (100.11); five-day average for Sept 1: 100.33 (99.94).

COFFEE

Commission house selling in nearbys created a fair amount of switch trading in a narrow range, reports Drexel Burnham Lambert. During late afternoon, forward positions traded at fresh contract highs whilst self trades of 594 boosted the volume.

COFFEE	Yest'day's Close	+ or —	Business Done
Sept.	1727-28	+1.0	1738-25
Nov.	1714-15	+4.6	1716-11
January	1693-96	+3.5	1698-93
March	1669-60	+10.5	1668-53
May	1629-30	+6.5	1630-25
July	1605-09	+7.5	—
Sept.	1594-98	+8.5	1597-95

Sales: 2,668 (2,320) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for August 30: Comp. daily 1979 126.28 (128.64); 15-day average 125.89 (126.28).

GRAINS

Wheat quickly fell to £1.00 down on weaker country trade but improved later in the day. Barley reached lows of £1.25 down on a good cross trade but quickly improved 70p, reports Muirpace.

WHEAT			BARLEY	
Mnth.	Yestrday's close	+ or —	Yest'day's close	+ or —
Sep.	122.80	—0.88	116.25	—0.55
Nov.	124.60	—0.85	118.50	—0.50
Jan	127.60	—0.75	121.95	—0.50
Mar.	130.25	—0.85	124.60	—0.55
May	135.00	—0.85	127.00	—0.50
July	136.20	—0.90	—	—

Business done—Wheat: Sept 122.90-2.50, Nov 124.70-4.45, Jan 127.75-7.35, Mar 130.50-0.20, May 133.05-2.90, July 136.35-6.15. Sales: 282 lots of 100 tonnes. Barley: Sept 115.10-5.05, Nov 118.50-7.95, Jan 122.20-1.35, Mar 124.70-*3.90, May 127.00-6.30. Sales: 510 lots of* 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed wheat: Eastern 118.80, E. Mids 118.50, N. East 120.70, Scotland 121.50. Feed barley: E. Mids 111.20, N. East 111.60, Scotland 109.20. The UK monetary coefficient for the week beginning Monday September 5 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Sept 135.25, Oct 138, Nov 136.75 transhipment East Coast sellers. English feed fob Sept 124, Oct/Dec 128 East Coast sellers. Maize: French first half Sept 143.50 transhipment East seller. Barley: English feed fob Sept 117.75 South Coast 118.50 Peterhead sellers. Rest unquoted.

POTATOES

The market fell further on prospect of rain and stop-loss selling even though Amsterdam closed only marginally lower.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov.	162.20	164.90	166.50-60.0
Feb.	195.00	203.00	203.50-95.0
April	227.00	241.00	238.40-27.4
May	234.00	245.50	245.00-34.0
Nov.	83.50	83.50	—

Turnover: 1,724 (1,270) lots of 40 tonnes.

RUBBER

The physical market opened slightly easier, attracted some interest at lower levels and closed quietly steady. Reported by Lewis and Peat. The *Kuala Lumpur market was closed.* Table table table table table table —

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Oct.	803-804	785-800	804-798
Nov	790-800	782-795	—
Oct-Dec	793-795	782-784	796-785
Jan-Mch	816-817	805-806	818-808
Apl-Jne	835-834	824-825	835-830
Jly-Sept	852-853	844-845	—
Oct-Dec	868-973	863-864	—
Jan-Mch	888-890	882-884	890
Apl-Jne	908-910	897-903	—

Sales 173 (13) lots of 15 tonnes, 30 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 79.25p (78.50p); Oct 81.00p (80.00p); Nov 81.50p (80.50p).

SOYABEAN MEAL

The market opened £2.50 lower in mixed selling reports T. G. Roddick. Prices eased on trade selling before commission house buying rallied the market back to unchanged levels.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	187.00-87.20	—1.15	187.80-84.50
Dec.	192.00-92.50	—0.40	192.50-88.80
Feb.	194.20-94.80	+0.65	194.50-91.50
April	194.00-95.00	......	194.00-93.00
June	191.00-92.00	—3.06	191.00-90.50
August	190.50-93.60	—0.75	191.00
October	187.00-88.00	......	—

Sales: 402 (103) lots of 100 tonnes.

SUGAR

The market initially rallied some £1.50 from overnight levels but later after the EEC released 61,350 tons whites plus 10,000 tons raws all the gains were lost.

LONDON DAILY PRICE—Raw sugar £164.00 (£158.50) a tonne for Aug-Sept-Oct shipment. White sugar £184.00 (£180.00).

No.4 Contract	Yest day's close	Previous close	Business done
	£ per tonne		
Oct.	174.80	172.75	177.80-72.80
Dec.	182.50-83.00	180.50-81.75	185.00-81.50
Mar.	194.75-95.00	193.75-94.00	197.25-95.50
May	199.00-99.75	198.20-98.30	202.00-99.50

Sales: 2,297 (2,076) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £274.00 (£268.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 29: Daily price 9.83 (9.96); 15-day average 10.34 (10.44).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 419, 422, 422-420; Dec 419, 423, 426-421; Jan 420, 423, 427-420; Mar 430, 433, *440-430; May 438, 441, 448-*440; Aug 452, 454, 460-452; Oct 454, 457, 464-455; Dec 460, 462, 468-462; Jan 463, 464, 468-464. Sales: 112.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 561.0, 562.0, 561.0-561.0; Dec 571.5, 571.5, 571.5-571.5; Mar 587.0, 589.0, 588.0-588.0; May 602.0, 606.0, untraded; July 616.0, 618.0, untraded; Oct 609.0, 613.0, untraded; Dec 616.0, 619.0, untraded. Sales: 16.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 14 tonnes. Buying remained at a low ebb, with only minimal evidence of fresh demand. Users adopted a very cautious tone, and activity was confined to scattered interest in African and other American types qualities.

INDICES

FINANCIAL TIMES

Aug. 30	Aug. 29	M'th ago	Y'ar ago
292.19	295.10	286.18	229.60

(Base: July 1 1952=100)

REUTERS

Aug. 31	Aug. 30	M'th ago	Y'ar ago
1911.2	1906.5	1938.3	1526.9

(Base: September 18 1931=100)

MOODY'S

Aug. 30	Aug. 29	M'th ago	Y'ar ago
1082.8	1088.0	1082.1	1000.2

(December 31 1931=100)

DOW JONES

Dow Jones	Aug. 30	Aug. 29	Month ago	Year Ago
Spot	146.12	145.93	144.30	125.72
Fut'rs	151.21	152.00	149.38	128.07

(Base: December 31 1974=100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 77.0 to 81.0; Eire hindquarters 88.5 to 92.5. Lamb: English small 58.0 to 62.0, medium 56.0 to 59.0, heavy 53.0 to 55.0; Imported: New Zealand PL 57.8 to 58.5. Pork: English under 100 lb 40.0 to 50.0, 100-120 lb 46.0 to 48.0, 120-160 lb 41.5 to 47.5. Poultry (Grade A): Uneviscerated fresh chickens 2-4 lb 40.0 to 42.0, 4-5 lb 40.0 to 42.0, 5-6 lb 42.0 to 45.0; large roasters 50.5 to 54.0, hens under 5 lb 19.5 to 20.5, over 5 lb 20.5 to 23.5; ducklings over 4.5 lb 48.0 to 49.0; turkey hens 12-16 lb 52.0 to 55.0, over 16 lb 51.0 to 53.0, turkey cocks 20-25 lb 47.5 to 49.0, over 25 lb 47.5 to 49.0; eviscerated fresh (with giblets), chickens up to 4 lb 51.0 to 53.5, 4-5 lb 50.0 to 53.5, ducklings all weights 65.0 to 66.5, turkeys over 20 lb 57.5 to 59.0; frozen oven-ready, chickens up to 2.5 lb 46.0 to 48.0, 2 lb 10 oz-3 lb 4 oz 46.0 to 48.0, 4 lb-4 lb 14 oz 47.0 to 49.0, 5 lb-5 lb 14 oz 50.0 to 54.0, large roasters 52.0 to 56.0, hens up to 5 lb 26.0 to 30.0, over 5 lb 32.0 to 36.0; ducklings up to 5 lb 60.0 to 63.0; turkeys up to 12 lb 54.0 to 56.0, 13 lb-19 lb 15 oz 54.0 to 56.0, 20 lb-24 lb 15 oz 56.0 to 58.0, over 25 lb 56.0 to 58.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.07p per kg lw (+1.37). GB—Sheep 115.17p per kg est dcw (—7.31). GB—Pigs 67.74p per kg lw (+1.15).

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.00-£5.80, codlings £2.80-£4.00; large haddock £3.00-£4.00, medium £2.50-£3.50, small £2.10-£3.00; large plaice £5.00-£6.00, medium £4.50-£5.60, best small plaice £3.80-£5.20; skinned dogfish (large) £8.00, (medium) £6.50, lemon sole (large) £10.00, (medium) £8.00; rockfish £2.90-£3.50; saithe £2.40-£3.00.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Tambors—Outspan: 6.00-6.50. Tangerines—Brazilian, Honey, tray 4.70-5.20; Australian: Ellendales, carton 10.00-11.00. Oranges—Outspan: Valencia lates 40 6.00, 48 6.80, 56 7.70, 72 7.40, 88 7.00, 112 6.10, 138 5.80, 150 5.00; Brazilian: Peras 3.80-4.00, Navels 5.20-5.50. Lemons—Outspan: carton 14.00-15.00; Uruguayan: carton 15.50-16.00; Spanish: 5-kg 5.00-5.50; Italian: carton 10.00-11.00. Grapefruit—Outspan: 27 5.70, 32 6.70, 36 6.90, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: box 6.70-7.40. Apples—French: Golden Delicious (new crop) carton 7.60-7.80; Spanish: Golden Delicious (new crop) 6.80-7.00, Granny Smith 11.50-11.80. Pears—French: Per pound Williams 0.14-0.15; Italian: Williams 0.15-0.20; Spanish Williams 0.16-0.20. Grapes—Cyprus: 18-lb Sultana 4.50; Italian: Per pound Regina 0.22-0.26, Alphonse 0.35-0.36, Italia 0.35-0.38; Spanish: Italia 0.30-0.38; *Alphonse 0.25-0.26; Greek: Sultana* 0.27-0.28; French: Alphonse 0.30-0.32. Peaches—Italian: large trays 2.40-3.00; French: 1.60-2.80. Nectarines—Italian: large trays 3.60-4.80. Plums—Italian: Per pound Giants 0.18-0.20, Stanley 0.14-0.15, President 0.22-0.24; French: President per pound 0.26. Gages—Spanish: tray 2.00-2.40; French: large trays 4.50-5.00. Water-Melons—Spanish: 15-kg 2.80-4.00. Melons—Spanish: Yellow 10-kg 2.80-3.20; French: large trays Charentais 5.00-5.50, Galia large trays 4.00-4.50. Bananas—Colombian: 40-lb boxes 10.60-11.00. Avocados—South African: 5.50-6.00; Kenyan: 5.00-5.50. Paw Paws—Brazilian: 7.00-7.50. Mangoes—Mexican: box 8.00-9.00; Israeli: 8.00-8.50. Fennel—Dutch: 5-kg 5.20-5.50. Kiwifruit—New Zealand: 6.20-6.50. Tomatoes—Dutch: tray 1.80-2.00. Beefsteak 3.00-3.20. Aubergines—Dutch: 5-kg 2.80-3.00. Onions—Spanish: Grano 25-kg nets 3.80-4.00; Dutch: 50/70mm 4.00-4.20. Capsicums—Dutch: Yellow 7.50, Green 3.50, Red 4.50-5.00. Cabbages—Dutch: Red 8.00, White 8.50. Courgettes—Jersey: 12-lb 2.10-2.40. Potatoes—Cyprus: 44-lb bag 4.50-4.60. Sugar Peas—Kenyan: per pound 2.00. Globe Artichokes—French: 24s 6.20-6.50. Lettuce—U.S.: Iceberg 30s 18.00. English Produce: Apples—Per pound, Bramley new season 0.12-0.15, Howgate 0.09-0.10, Discovery 0.14-0.22, Tydeman's Worcester 0.15-0.18. Pears—Williams per pound 0.10-0.12. Conference 0.14-0.15. Strawberries—8-oz 0.40-0.60 according to conditions. Raspberries—4-oz punnets 0.50-0.60 according to quality. Blackberries—8-oz 0.20-0.22. Plums—Per pound Belle 0.14-0.15, Damsons 0.18-0.20, Victorias 0.20-0.22, Pershore 0.10. New Potatoes—4.30-4.80. Mushrooms—Per pound, open 0.60-0.70, closed 1.00-1.20. Lettuce—Per tray round 1.20-1.40, Webb's 2.30-2.50, Cos 1.80-2.00, Iceberg, per dozen 6.00-7.00. Onions—Per 55-lb 3.50-4.00. Cabbages—Per 25-lb Primo 3.00-3.80. Greens—28-lb, Kent 2.00-2.50. Cauliflowers—12s Lincoln 2.80-3.50. Cucumbers — 1.50-1.80. Tomatoes—Hothouse, 12-lb 1.30-1.50. Celery—4.00-4.50. Beetroots—28-lb 3.40-3.60. Turnips—28-lb 3.50. Stick Beans—Per pound 0.14-0.20. Swedes—28-lb 3.00. Sugar Peas—Per pound 1.50-1.80. Capsicums—Green per pound 0.22-0.25. Corn Cobs—Each 0.08-0.14. Leeks—Per pound 0.30. Carrots—28-lb 2.50-2.80. Parsnips—28-lb 3.50-3.60.

AMERICAN MARKETS

Gold and silver came under pressure early in the session in response to the weak tone in currencies and financials which encouraged commission house liquidation. The selling was absorbed by trade support and short covering inspired by a firmer tone to currencies. Copper was under light pressure from commission house selling prompted by the slower than *expected increase in U.S. leading* economic indicators. Coffee maintained a firm tone on the lack of fresh selling by dealers. Cocoa prices declined as uncertainty over Ivory Coast prospects kept buyers cautious at higher price levels while origins remained withdrawn. Sugar came under late pressure despite a better than expected EEC selling tender as commission house long liquidation developed on unfavourable chart patterns late in the session. Cotton was under light selling pressure in response to the failure to follow through on yesterday's rally along with uncertainty over the USDA bid programme for Pik Cotton. Grains and soyabeans were sharply higher on rumours of Soviet export demand. In addition PRC interest in wheat and possible wheat sales to India encouraged buying. Heating oil was sharply lower in reaction to a bearish trade stocks report and lack of cash demand for crude oil on products, reported by Heinold Commodities.

NEW YORK

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	131.71	132.15	131.40	131.73
Dec	129.90	129.95	129.15	129.57
March	127.56	127.60	127.10	127.33
May	125.80	125.90	125.50	125.65
July	124.23	124.40	124.40	123.95
Sept	122.03	—	—	121.55
Dec	121.13	121.50	121.50	121.50

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Sept	71.65	71.90	71.35	72.10
Oct	72.36	—	—	72.80
Nov	73.10	—	—	73.50
Dec	73.85	74.05	73.50	74.30
Jan	74.60	74.80	74.40	75.05
March	76.10	76.30	75.80	76.60
May	77.60	77.80	77.30	78.10
July	79.05	79.20	78.80	79.60
Sept	80.50	80.80	80.20	81.10
Dec	82.56	82.80	82.25	83.20

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	414.4	—	—	417.9
Oct	417.7	420.9	416.5	421.3
Nov	421.2	—	—	424.9
Dec	424.8	428.0	423.2	428.5
Feb	432.4	434.0	431.0	436.1
April	440.3	442.0	439.0	444.0
June	448.4	451.2	448.0	452.1
Oct	465.7	467.0	467.0	468.9

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	436.1	433.5	433.5	436.7
Oct	439.6	441.5	435.0	440.2
Jan	446.6	449.5	444.0	449.2
April	453.6	453.5	453.0	456.2
July	462.1	462.0	462.0	464.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	1210.0	1222.0	1194.0	1216.0
Oct	1219.0	—	—	1226.0
Dec	1241.0	1254.0	1225.0	1249.0
Jan	1252.3	—	—	1259.3
March	1274.8	1287.0	1261.0	1282.0
May	1297.8	1308.0	1286.0	1304.7
July	1320.8	1332.0	1309.0	1327.4
Sept	1343.5	1365.0	1332.0	1350.1
Dec	1377.5	1371.0	1368.0	1384.1

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	9.85	10.00	9.71	10.00
Oct	10.39	10.58	10.37	10.53
Jan	11.05	11.24	11.20	11.33
March	11.63	11.95	11.60	11.98
May	11.99	12.30	11.97	12.33
July	12.27	12.52	12.25	12.54
Sept	12.52	12.74	12.50	12.77
Oct	12.66	12.95	12.6	13.00
Jan	12.66	13.10	13.10	13.00

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	55.97	56.57	55.90	56.62
Dec	56.90	57.37	56.50	57.27
Feb	56.90	59.65	58.80	59.65
April	61.30	61.80	61.05	61.65
June	63.25	63.55	62.95	63.55
August	62.52	62.87	62.45	62.90

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	43.05	43.15	42.47	42.85
Dec	42.35	42.50	41.80	42.15
Feb	46.37	46.50	45.70	46.10
April	47.25	47.37	46.70	46.80
June	53.55	53.65	52.70	53.12
July	54.02	54.05	53.25	53.55
Aug	52.85	53.25	52.80	52.75
Oct	52.15	52.60	52.15	52.15
Dec	53.10	53.20	53.10	53.05

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	63.55	63.65	62.00	62.80
March	63.77	63.87	62.35	63.05
May	65.37	65.50	64.10	64.75
July	65.42	66.40	64.30	65.15
Aug	63.20	64.00	62.52	63.05

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Sept	388.6	389.6	379.4	379.0
Dec	410.2	410.4	402.0	400.8
March	426.2	427.0	417.4	416.4
May	431.2	431.4	423.0	424.8
July	421.4	421.4	415.0	414.4
Sept	428.0	428.0	422.0	422.0

SPOT PRICES—Chicago loose lard 29.00 (same) cents per pound. New York tin 592.00-599.00 (590.00-597.00) cents per pound.

Air Florida in debt move

AIR FLORIDA, the loss-making U.S. airline, has succeeded in restructuring a small part of its debt, but said yesterday that it was still threatened with closure, writes Terry Doddsworth in New York.

According to a filing with the Securities and Exchange Commission the air line has renegotiated plans on some of a $48m loan from InterFirst, the big Dallas bank. But failure to make payments on the InterFirst loan and on notes issued in connection with a Federal Aviation Administration guaranteed loan, has led to the reclassification of $81m of long-term debt.

As a result, the company now has $118.9m of short-term borrowing subject to demand for immediate payment.

Air Florida has taken extensive cost cutting measures in the last year, and reduced net losses in the first half of this year to $17.4m from $30.4m.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm, but below best

The dollar finished below its highest levels of the day, but still generally firm after a fairly thin day influenced by month-end factors. Apart from the continuing saga of U.S. interest rates there was little new to influence the foreign exchanges.

The military dangers in the Lebanon, and political situation in Israel may have encouraged some early buying of the dollar as well as comments on Tuesday night from the U.S. Administration about the dangers of the budget deficit to stable interest rates.

Sterling remained on the sidelines, and was little changed overall.

DOLLAR — Trade-weighted index (Bank of England) 129.5 against 120.6 six months ago. The latest figures on money supply have given rise to cautious optimism, although fears remain about a September bulge in M1. The dollar has recently been at record levels on fears of higher interest rates as a result of the U.S. Budget deficit and money supply growth.

The dollar rose to DM 2.6970 from DM 2.6890 against the D-mark; to FFr 8.11 from FFr 8.0925 against the French franc; and to SwFr 2.1860 from SwFr 2.1850 in terms of the Swiss franc, but eased slightly to Y246.25 from Y246.30 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. July average 1.5278. Trade-weighted index 85.2 against 85.3 at noon, 85.2 in the morning, 85.2 at the previous close, and 80.2 six months ago. The pound has been fairly steady and firm of late, despite the volatility of the dollar. The absence of the Bank of England in international central bank intervention intended to stop the dollar's rise caused only a temporary softening of sterling, which has generally held up well against the U.S. currency and continentals.

Sterling opened at $1.4895-1.4905, and well to a low of $1.4880-1.4890. The highest point touched was $1.4940-1.4950, and the pound closed at $1.4935-1.4945, a fall of 50 points on the day. Sterling also weakened to FFr 12.1125 from FFr 12.13; to SwFr 3.2675 from SwFr 3.2750; and to Y368 from Y370.25, but rose to DM 4.0325 from DM 4.03.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. July average 2.5895. Trade-weighted index 125.4 against 128.4 six months ago. Until the recent slowdown in U.S. M1 money supply growth the dollar was at its highest level for nearly 10 years against the D-mark, reflecting the large differential between U.S. and German interest rates. Continued fears about M1 are pushing the dollar up once again, possibly prompting further central bank intervention if recent levels are breached.

The Bundesbank sold $33.45m when the dollar rose to DM 2.7068 from DM 2.6871 at the Frankfurt fixing. Market sources also suggested that the German central bank sold about $100m earlier in the day when the U.S. currency touched DM 2.71. It opened at DM 2.7085 and moved higher on fears of upward pressure on New York interest rates as M1 money supply growth increases during September. Sterling was also firm, rising to DM 4.0390 from DM 4.0270 at the fixing.

DUTCH GUILDER — Trading range against the dollar in 1983 is 3.0540 to 2.5755. July average 2.8960. Trade-weighted index 115.3 against 118.7 six months ago. The guilder has weakened against the dollar in line with other currencies but remains comfortably placed against its European partners as D-mark weakness has removed the threat of heavy downward pressure on the French and Belgian francs, and ensured temporary stability within the EMS.

The guilder was firm against other EMS currencies as attention remained focused on the dollar, which continued to rise in anticipation of a September bulge in U.S. M1 money supply and further nervousness about higher U.S. interest rates. The dollar was fixed at Fl 3 compared with Fl 3.0045 previously after the Dutch central bank bought dollars against guilders in a two-week currency swop operation with banks to stabilise rising domestic interest rates.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 31	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.8267	+2.06	+1.24	±1.5447
Danish Krone	8.14104	8.19636	+0.68	−0.14	±1.6425
German D-Mark	2.24184	2.27880	+1.65	+0.83	±1.0642
French Franc	6.87456	6.86042	−0.21	−1.03	±1.4052
Dutch Guilder	2.52595	2.54843	+0.89	+0.07	±1.4964
Irish Punt	0.72569	0.724603	−0.16	−0.98	±1.6689
Italian Lira	1403.49	1359.53	−3.13	−3.13	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Aug. 31	£	$		£ Note Rates
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rates.

CURRENCY MOVEMENTS

Aug. 31	Bank of England Index	Morgan Guaranty Changes %
[illegible]	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 31	Bank rate %	Special Drawing Rights	European Currency Unit
[illegible]	[illegible]	[illegible]	[illegible]

*CS/SDR rate for Aug. 30: 1.29005.

THE POUND SPOT AND FORWARD

Aug 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 81.50-81.70. Six-month forward dollar 0.44-0.49c dis. 12-month 0.75-0.85c dis.

THE DOLLAR SPOT AND FORWARD

Aug 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.60S-54.705.

EXCHANGE CROSS RATES

Aug. 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.494	4.033	368.0	12.115	3.268	4.510	2406.	1.845	81.10
U.S. Dollar	0.669	1.	2.699	246.3	8.107	2.187	3.019	1611.	1.235	54.28
Deutschmark	0.248	0.370	1.	91.25	3.004	0.810	1.118	597.0	0.457	20.11
Japanese Yen 1,000	2.717	4.060	10.96	1000.	32.91	8.879	12.26	6542.	5.007	220.0
French Franc 10	0.826	1.233	3.329	303.8	10.	2.698	3.723	1988.	1.521	66.96
Swiss Franc	0.306	0.457	1.234	112.6	3.707	1.	1.380	736.8	0.564	24.82
Dutch Guilder	0.222	0.331	0.894	81.60	2.686	0.725	1.	533.8	0.409	17.98
Italian Lira 1,000	0.415	0.621	1.675	152.9	5.031	1.357	1.873	1000.	0.765	33.69
Canadian Dollar	0.543	0.811	2.189	199.7	6.574	1.775	2.448	1307.	1.	44.02
Belgian Franc 100	1.233	1.842	4.972	453.8	14.94	4.029	5.561	2969.	2.272	100.

FINANCIAL FUTURES

Eurodollars steady

Eurodollar's showed little change on the London International Financial Futures Exchange, reflecting general nervousness and uncertainty about several U.S. factors. The Federal Reserve somewhat unexpectedly added reserves to the New York banking system with Federal funds at 9⅝ per cent, and the rate then eased to 9½ per cent but this was on a Wednesday when the market is often distorted by weekly make-up for the banks.

The July index of leading economic indicators rose by only 0.3 per cent, which was towards the lower end of market expectations, but any bullish sentiment caused by signs of a slowdown in U.S. economic growth was tempered by apprehension about the general trend, after a revised June increase of 1.9 per cent.

Money supply figures also continue to overhang the market, with speculation that a rise of $1bn in M1 tomorrow will be followed by further large increases during September.

As a further factor, traders were awaiting the outcome of yesterday's auction of $6bn in U.S. Treasury five-year notes.

Against this background December Eurodollar's opened at 89.14 on Liffe, and closed at the highest level of the day at 89.15, compared with the previous settlement of 89.16. A late rally in the cash market helped gilt futures, where prices opened weak following a disappointing close in U.S. Treasury bonds on Tuesday.

December gilts also finished at the day's peak, closing at 103-11, compared with 103-02 previously, after opening at 102-15, the lowest level of the day.

Short-sterling for December delivery finished on a weak note, however, at 89.77.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	89.79	89.79	89.69	89.73
Dec	89.15	89.15	89.08	89.16
March	88.88	88.88	88.81	88.87
June	88.67	88.68	88.62	88.66
Sept	88.39	—	—	88.43

Volume 2,243 (2,026)
Previous day's open int 5,749 (5,815)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

20-YEAR 12% NOTIONAL GILT

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Volume 6 (16)
Previous day's open int 253 (248)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4065	0.4067	0.4049	0.4063
Dec	0.4103	0.4103	0.4084	0.4099
March	—	—	—	—

Volume 71 (15)
Previous day's open int 291 (293)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	69-28	70-03	69-20	70-05
Dec	69-11	69-17	69-03	69-19
March	68-28	69-02	68-20	69-04
June	68-16	68-21	68-09	68-23
Sept	68-06	68-09	67-30	68-12
Dec	67-29	68-02	67-23	68-03
March	67-22	67-24	67-15	67-27
June	—	—	—	67-20
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) $ per £

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	68-04
Dec	67-02	67-09	66-27	67-06
March	66-06	66-12	65-30	66-08
June	65-16	65-19	65-12	65-17
Sept	65-00	65-02	64-28	65-00
Dec	64-19	64-19	64-12	64-18
March	—	—	—	—
June	—	—	—	63-28
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

MONEY MARKETS

Credit surplus in London

UK clearing bank base lending rate 9½ per cent (since June 14)

The Bank of England forecast a surplus of £200m in the London money market yesterday morning, but this was revised to £250m at noon, and to a final surplus of £350m in the afternoon.

The major factor in the market's favour was Exchequer transactions, adding £510m to liquidity, but this was partly offset by bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from last week's tender of £256m.

There was no intervention by the authorities in the morning, but after lunch the Bank of England sold £145m Treasury bills to absorb part of the surplus. The sales comprised £83m Treasury bills maturing today, and £62m Treasury bills maturing tomorrow at rates of 8¾-9¼ per cent.

In New York money market rates moved higher in early trading as the Federal funds overnight rate rose to 9⅝ per cent from 9½ per cent. Trading was described as quiet ahead of yesterday's auction of $6bn of five-year Treasury notes. The opening Fed funds rate was 9½ per cent, and this coupled with a refunding package to be announced on September 19 and expectations of higher M1 money supply figures in September, kept investors interest at a low level. The market was also waiting for the release of U.S. leading economic indicators in July.

In Amsterdam overnight money was firm at 5¾-6 per cent, compared with 5½-5¾ per cent on Tuesday, as the Dutch central bank entered the market to stabilise interest rates through a two-week $195m currency swap. The authorities will supply guilders tomorrow in exchange for dollars. Fixed period rates also had a firmer tone yesterday, with three-month at 6¼-6⅜ per cent, against 6 3/16-6 5/16 per cent, and six-month at 6⅜-6½ per cent, compared with 6¼-6⅜ per cent. One-month funds were unchanged at 5¾-6 per cent. The gross money market shortage was estimated to be in the region of Fl 7.8bn, but liquidity was adequate, thanks partly to the central advance of Fl 4.39bn provided recently by the authorities, and a quota for the banking system of Fl 5.3bn daily.

LONDON MONEY RATES

Aug. 31 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	3 9¼	8¾-9⅛	—	—	4⅛-9⅛	4-8⅞	—	—	—
2 days notice	—	—	9¼-9½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9½-9¾	—	—	—	—
7 days notice	—	9⅜-9⅝	9⅜-9½	—	—	—	9¼	—	—	—
One month	9⅝-9 9/16	9 9/16-9 11/16	9½	10⅛-9¾	9¾	9¾	9⅜	9 7/32	9 11/32	10 1/16
Two months	9¾-9⅝	9 11/16-9 13/16	9⅝	10⅛-9¾	9 13/16	10	9⅝	9 9/32	9 15/32	10 3/16
Three months	9 13/16-9 11/16	9¾-9⅞	9¾	10⅜-10	9 13/16	10	9⅞	9 11/32	9 19/32	10 5/16
Six months	9 15/16-9⅞	10 1/16-10¼	10⅛	10¼-9⅞	10¼	—	—	—	9 11/16	10 7/16
Nine months	10 3/16-10 1/16	10¼-10 7/16	10⅛	10⅝-10¼	10⅜	—	—	—	—	—
One year	10 5/16-10 3/16	10 5/16-10 7/16	10⅜	10⅝-10¼	10⅝	—	—	—	—	—
Two years	—	—	11	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.989 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼ per cent; four years 11½ per cent; five years 11¾ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills 9 25/32 per cent; four months trade bills 10 7/32 per cent.

Approximate selling rate for one month Treasury bills 9 5/32 per cent; two months 9 11/32 per cent and three months 9 5/16 per cent. Approximate selling rate for one month bank bills 9⅝ per cent; two months 9 7/16 per cent and three months 9½ per cent; trade bills 9 29/32 per cent; two months 9 11/16 per cent and three months 9 23/32 per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.3386 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 9¾ per cent; three-six months 10¼ per cent; six-12 months 10¾ per cent. Under £100,000 9¼ per cent from September 1. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Aug. 31	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9⅜-9⅝	9½-9⅝	9⅝-9 11/16	9¾-9⅞	10⅛-10¼	10⅜-10⅝
U.S. Dollar	9⅜-9⅝	9¼-9¾	9⅞-10⅛	10⅛-10⅜	10½-10¾	10⅞-11⅛
Can. Dollar	9-9¼	8-8¼	9-9⅛	9⅜-9⅝	9 13/16-10⅛	10 1/16-10⅜
D. Guilder	6-6¼	6-6⅛	6-6⅛	6¼-6⅜	6 7/16-6 9/16	6¾-6⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

11.00 a.m. AUGUST 31

3 month U.S. dollars		6 month U.S. dollars	
bid 10 1/4	offer 10 3/8	bid 10 5/8	offer 10 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9⅝
Treasury bills (13-week)	9.275
Treasury bills (26-week)	9.53

GERMANY

[illegible]	[illegible]

FRANCE

[illegible]	[illegible]

JAPAN

[illegible]	[illegible]

SWITZERLAND

[illegible]	[illegible]

NETHERLANDS

[illegible]	[illegible]

$ CERTIFICATES OF DEPOSIT

[illegible]	[illegible]

LONG TERM EURO $

[illegible]	[illegible]

SDR LINKED DEPOSITS

[illegible]	[illegible]

ECU LINKED DEPOSITS

[illegible]	[illegible]

APPOINTMENTS

Joining the board of English China Clays

Dr Stanley Dennison and Mr Robert Carlton-Porter today become directors of ENGLISH CHINA CLAYS. Dr Dennison is deputy managing director and managing director designate of English Clays Lovering Pochin and Co. Mr Carlton-Porter will be appointed finance director in April 1984, when Mr F. Hitchins, the present finance director, proposes to retire from executive office. Mr Carlton-Porter joins from Hoechst UK where he was divisional director, finance.

★

Mr Ron Dawes, formerly assistant general manager, marketing department, has been appointed a local director of the London southern district of BARCLAYS BANK. He is succeeded by Mr Antony Hunter, previously a local director in the bank's Oxford district. Mr John Ford, a local director of Barclays' London southern district, has been appointed an assistant general manager of the bank from December 5. Mr Bob Newton, formerly an assistant local director, London eastern district, has been appointed a local director of Barclays' South Wales district.

★

LLOYD'S OF LONDON PRESS has appointed the following executive directors: Mr R. W. Curd, Mr K. M. Ratcliffe, Dr Elizabeth Müller and Mr D. Lodge.

★

Mr Graham Beacom has been appointed director of sales UK by HOLIDAY INN INTERNATIONAL. He joins from the Metropole Group where he has been sales manager for the past two years.

★

Mr John Harper, managing director of BRITISH TELECOM's inland division, is retiring for health reasons, but will be available for advice on a part-time basis. Following his retirement, the inland division will be split between local communications services (LCS) and national networks from September 1. Mr Iain Vallance, present head of LCS, and Mr Ron Back, present head of national networks, will report directly to the chairman, Sir George Jefferson. Mr Vallance is already a board member and Mr Back is to be invited to join the board.

★

Mr John Vanderpump has left the Robert Horne Group Company, Frank Grunfeld, where he was joint managing director, to join the board of LINK PUBLISHING PAPERS.

CONTRACTS

£6.8m work for Ireland

Contracts in the West of England worth £6.8m have been awarded to ERNEST IRELAND CONSTRUCTION, Bath, part of the Mowlem Group. The largest, worth £1.7m is a shopping development at Silver Street, Bristol, for Bristol United Press consisting of shell shops of varying sizes with a total floor area of 77,000 sq ft. Partially situated on the site of the former Evening Post and Western Daily Press offices, the work is mainly new buildings apart from the period shell of the existing building which will be retained. Work will start next month for completion in autumn 1984.

At Oldford, near Frome, Somerset, Ernest Ireland is to undertake a £1.6m contract at Staplemead Creamery for Express Dairy UK. Part of a larger £7m programme, work involves the construction of a drier, evaporator and powder silo building together with a powder store and loading bay on piled foundations.

★

MYTON, a member of the Taylor Woodrow Group, has won two contracts, totalling £3.5m. The larger, valued at £2.5m, is for construction of a five-storey office building in Ritz Parade, at Hanger Lane/Western Avenue, W5, for Inter Centre Developments, for completion in August 1984. Work involves demolishing existing shops, offices and a cinema. The new offices, will have a reinforced concrete frame on piled concrete foundations. The other contract, worth £1m, is for refurbishment of the Croydon branch of British Home Stores. Work will be phased over an 18-week period to November.

MOTOR CARS

CONTRACTS AND TENDERS

CLUBS

COMPANY NOTICES

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel §	9½%
Amro Bank	9½%	C. Hoare & Co. †	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered ‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings ¶	10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.15%. Effective annual rate—9.54%.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for August 31.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10⅞ 90	100	91⅞	92⅜	−0⅝	−1⅛	12.84
Bank of America 8 88 XW	150†*	84¼	84¾	−0⅞	−0⅞	12.66
Bank of Tokyo Hold 11 90	100	92⅞	93⅜	−0⅝	−1⅛	12.56
British Col Hyd 10⅛ 88	200	95¼	96	−0⅝	−1⅛	11.58
C.C.C.E. 11¾ 87	100	91⅝	92⅛	−0⅝	−2⅜	13.01
C.I.B.C. 11 90	75	91½	92½	0	−0¼	12.82
Citicorp O/S 10⅞ 90	100	90¼	90¾	−0⅞	−0⅞	12.52
Coca Cola Int 9⅞ 92	100	89⅞	90⅜	0	+0⅜	11.71
Cred Suisse BAH 10½ 90	150	94⅜	94⅞	−0⅛	−0⅞	11.69
Credit Suisse 10½ 89	100†	94¼	94¾	−0⅛	−0⅜	11.76
Den Norsk Cred 11¼ 93	50	91¼	91¾	−0¼	−1⅜	12.80
Du Pont 11⅛ 86	150	97¼	97¾	−0¼	−0⅝	11.53
E.C.S.C. 11⅞ 90	75	97	97½	−0½	−1⅜	12.48
E.D.C. 10¾ 88	100	95¾	96½	−0⅝	−1⅛	11.88
E.D.C. 11¾ 87	100	98⅜	98⅞	−0⅝	−1⅛	12.16
E.D.F. 11⅛ 93	100	89⅞	90⅜	−0¼	−1½	12.95
E.E.C. 10¾ 95	75	87⅝	88⅛	−0½	−2¼	12.79
E.E.C. 11 87	350	96⅜	96⅞	−0¼	−1⅛	12.12
E.I.B. 11 91	125	93¼	93¾	−0⅝	−1	12.34
Electrolux 10½ 90	50	90½	91	−0½	−1½	12.59
Enserch Fin 11⅝ 93	100	91½	92	−0½	−1⅛	13.15
Fuji Int Fin 10⅞ 90	100†	90⅝	91⅛	−0½	−0¾	12.96
Gen Elec Credit 9¾ 91	100	89¼	89¾	−0½	−0⅛	11.89
GMAC O/S Fin 10½ 90	200	94¼	94¾	−0⅛	−0⅝	11.73
Honeywell Int 10¾ 90	100	95½	96	−0¼	−0⅞	11.68
Indust Bk Japan 10⅞ 88	100	94¾	95¼	−0¾	−1⅛	12.31
Japan Air Lines 10⅞ 98	42	89	89½	−0⅝	−0⅞	12.49
Japan Air Lines 11 93	75	93	93½	−0⅝	−1	12.20
J. P. Morgan 11⅜ 90 XW	150	96⅞	97⅜	−0⅝	−0½	12.06
Levi Strauss Int 11 90	75	93⅞	94⅜	−0¼	−0¾	12.39
L.T.C.B. 10¾ 90	100	90¼	90¾	−0¾	−1¼	12.91
Merrill Lynch 10⅝ 90	200	91⅞	92⅜	−0½	−0⅞	12.48
Midland Int Fin 11½ 92	150	94⅝	95⅛	−0½	−1	12.44
Mitsubishi Corp 10½ 90	100	91¾	92¼	−0⅛	−0¼	12.30
Mitsubishi Fin 11⅞ 90	100	94	94½	−0¼	−1⅛	12.58
Nippon Credit 11 90	100	91	91½	−0¼	−1	13.88
Nippon Credit 11¼ 93	100	91⅜	91⅞	−0⅝	−1⅜	12.79
O.K.B. 10 91	100	88¼	88¾	−0½	−1	12.39
Ontario Hydro 10¼ 90	250	91⅞	92⅜	−0½	−0⅞	12.80
Ontario Hydro 11¼ 89	200	98⅛	98⅝	−0⅝	−1½	11.59
Ontario Hydro 12¾ 92	200	102¼	102¾	−0¼	−1⅜	12.28
Prudential O/S 10⅝ 93	100	93⅜	93⅞	−0⅜	−1⅜	11.74
Prudential O/S 12¾ 87	150	103½	104	−0⅝	−1¼	11.53
Saskatchewan Pr 10¾ 90	125	93⅛	93⅝	−0½	−1½	12.24
S.N.C.F. 11½ 93	100	94	94½	−0¼	−1⅜	12.54
Sth Cal Edison 10½ 90	75	93¼	93¾	0	−0⅞	11.94
Sumitomo Fin 10⅞ 90	100	90¾	91¼	−0¼	−0¾	12.92
Swiss Bk Corp 10¼ 90	125†	94½	95	−0⅛	−1¼	11.43
Texaco Capital 9¾ 90	150	91¼	91¾	−0¼	−1⅜	11.66
U.B.S. 10 88	100	95¾	96¼	−0⅛	−1	11.11
U.B.S. 11 88	150	100½	101	0	0	10.81
Westpac Int Fin 11 90	100†*	90½	91	−1⅛	−0⅝	13.12
World Bank 10⅞ 88	150	94¼	94¾	−0½	−1⅜	11.96
World Bank 10⅞ 93	100	91¾	92¼	−0⅝	−1¾	12.31
World Bank 11⅛ 88	100	95	95½	−0⅝	−0⅝	12.39
World Bank 11½ 90	150	95¾	96¼	−0⅝	−0⅝	12.38

Av. price changes: on day −⅝, on week −1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	98½	98⅞	−0⅛	−0⅛	7.51
A.N.A.S. 8¼ 88	100	99⅛	99⅝	−0⅛	−0⅛	8.48
Austria, Rep 7⅝ 89	100	98⅛	98⅝	−0⅛	−0⅛	7.98
Austria, Rep 8 93	100	99¾	100¼	0	−0⅛	7.98
Avon Int Fin 7½ 93	100	97⅛	97⅝	0	−0⅝	7.89
B.F.C.E. 8¼ 90	150	99⅞	100⅜	0	0	8.22
Comp Tel Nac Esp 8¼ 93	100	94½	95	0	−0⅛	9.32
Deutsche Bank 3¾ 91 WW	240	105	105½	−0¾	−1½	2.98
Deutsche Bank 3¾ 91 XW	240	80⅛	80⅝	0	0	7.14
Dresdner Finance 4 90 WW	250	107	107½	+0¼	−0½	2.82
Dresdner Finance 4 90 XW	250	82⅝	83⅛	+0⅜	+0⅞	7.27
E.C.S.C. 8 90	160	99⅝	100⅛	+0⅛	+0¼	8.02
E.E.C. 8¼ 93	250	100¼	100¾	0	−0⅛	8.17
Eurofima 7½ 90	100	97⅞	98⅜	+0⅛	−0¼	7.86
Finland Rep 7½ 88	160	98½	99	−0⅜	−0⅛	7.81
Int-Am Dev Bk 7¾ 93	200	94⅛	94⅝	−0⅝	−0½	8.62
Int Standard Ele 7¾ 93	100	98⅛	98⅝	+0⅛	+0⅛	7.99
Japan Dev Bank 7½ 90	100	98⅛	98⅝	−0⅛	−0⅛	7.81
Kobe City 7 93	120	94½	95	−0⅜	−0¼	7.78
L.T.C.B. 8 90	100	98⅜	98⅞	0	−0¼	8.28
Renault Acceptance 8 90	150	96	96½	−1½	−0¾	8.75
S.D.F. France 7⅞ 93	100	96⅛	96⅝	−0⅛	+0⅛	8.43
Sth African Tran 8¼ 90	100	98¾	99¼	−0⅛	−0⅞	8.44
Volkswagen Int 7¼ 93	200	94⅞	95⅜	−0¼	−0⅝	7.98
World Bank 7½ 90	250	96	96½	−0½	−0¾	8.24
World Bank 7½ 93	300	95	95½	−0¾	−1⅛	8.22

Av. price changes: on day −¼, on week −⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100	97	97¼	−0½	−1¼	6.02
Bank of Tokyo 6 91	100	101½	101¾	0	0	5.74
Bergen, City of 5¾ 95	40	99	99¼	−0¼	−0½	5.85
Carls-Tuborg Brw 5¾ 93	60	100¾	101	+0¼	−0⅜	5.62
Chujitsuya Co 5⅞ 93	50	96½	96¾	−0¼	−0¾	6.35
Denmark 6⅜ 91	100	101½	101¾	−0½	−0½	6.10
E.D.C. 5⅝ 91	100	98	98¼	+0¼	0	5.68
E.I.B. 5¾ 93	100	100½	100¾	−0¼	+1⅜	5.66
Ex-Im Bk Japan 5⅝ 91	100	97¾	98	0	−0⅜	5.97
Ind Fund Finland 6¼ 91	40	100⅜	100⅝	+0⅜	+0⅜	6.17
Int-Am Dev Bk 6⅛ 93	100	100¼	100½	−0⅜	−0⅜	6.07
Japan Dev Bank 5½ 93	100	98½	98¾	0	0	5.68
Kansai Elec Power 6 91	100	102	102¼	0	0	5.65
Kawasaki Steel 6⅛ 91	100	101½	101¾	−0⅛	−0⅜	5.86
Montreal Urban 5¾ 93	100	99½	99¾	−0⅜	−0½	5.80
Mount Isa Finance 6 93	100	102	102¼	−0½	−0½	5.71
Nisshin Steel 6¼ 91	100	99½	99¾	0	−0⅛	6.31
Norsk Hydro 5½ 98	100	96¼	96½	−0½	−1	5.87
Osterr Draukraft 6 93	100	102¾	103	+0¼	+0½	5.61
Osterr Post 6⅛ 91	100	102½	102¾	0	0	5.70
Quebec Hydro 5½ 93	100	100¾	101	+0¼	0	5.38
Sekisui House 6 93	100	101½	101¾	+0½	0	5.77
Sumitomo Metal Ind 6 91	100	100	100¼	−0½	−1	5.97
Tohoku Elec Power 6 93	100	100½	100¾	0	−0¼	5.91
Trizec Corp 6¼ 91	100	102	102¼	−0⅜	−0⅞	5.89
World Bank 5⅝ 93	100	97	97¼	+0½	−0⅜	6.02

Av. price changes: on day −⅛, on week −¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	103¾	104¼	−0⅛	−0⅛	7.99
E.I.B. 8¼ 92	15	101⅝	102⅛	−0⅛	−0¼	7.94
Japan Airlines 7⅞ 87	9†	101¾	102¼	0	−0¾	7.18
New Zealand 7⅝ 89	15	101⅜	101⅞	0	−0⅛	7.28
World Bank 8⅜ 92	20	102⅜	102⅞	−0⅜	−0⅜	7.93

Av. price changes: on day −⅛, on week −⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col 11¾ 93 C$	25†	93⅞	94⅜	−0⅛	−0⅛	12.82
Can Pac Secs 11⅛ 90 C$	75†	98½	99	+0¼	+0⅜	12.13
Charb France 11⅞ 95 C$	40†	93½	94	0	−0¼	12.91
Montreal 12¼ 91 C$	50†	99⅜	99⅞	+0⅛	−0½	12.38
Norcen 12¾ 93 C$	60†	104¼	104¾	+10	+10⅛	11.95
Quebec Province 12 93 C$	50†	98⅜	98⅞	−0⅝	−0¼	12.23
Xerox Canada 12 88 C$	40†	98½	99	−0¼	+0⅝	12.35
Credit Nat 12⅛ 93 ECU	50	103½	104⅛	0	+0⅜	11.54
Forsmarks 11½ 88 ECU	40	102½	103½	0	+0¼	11.08
Consol Foods 7¼ 88 Fl	100	94⅞	95⅜	−0⅛	+0⅛	8.56
Elect Supply 8¾ 88 Fl	75	95¾	96¼	−0⅛	0	9.82
Nederland Gas 7½ 88 Fl	100	97⅞	98⅜	−0⅛	−0⅛	7.99
Philips Lamps 7¼ 88 Fl	100	96⅞	97⅜	−0¼	0	8.01
Swed Exp Cred 7¾ 88 Fl	100	94⅝	95⅛	−0⅛	−0⅜	9.15
World Bank 7 88 Fl	150	94	94½	−0⅛	0	8.60
O.K.B. 14 86 FF	400	100¼	101½	0	+0⅛	13.45
Solvay & Cie 14¾ 86 FF	200	101⅜	102⅜	0	+0⅛	13.71
B.F.C.E. 11½ 88 £	50	96½	97½	−0⅛	−0⅛	12.34
British Oxyg 11¾ 91 £	50	99⅝	100⅝	0	−0⅛	11.70
CEPME 11¼ 95 £	35†	97⅜	98⅜	0	+0⅛	11.48
E.E.C. 11⅞ 91 £	50	100	100¾	0	−0⅜	11.76
Fin For Ind 10½ 90 £	30	95	95¾	−0⅛	−0⅛	11.50
Fin For Ind 12¼ 88 £	30	103⅛	104⅛	0	+0⅛	11.26
Fin Mat Oranj 12⅝ 92 £	30	101⅛	101⅞	0	−0⅛	12.35
Gen Elec Co 12½ 89 £	50	102¾	104	−0¼	−0⅜	11.58
Mort Bk Fin 11¾ 89 £	15	96⅛	97⅛	−0⅛	−0½	12.54
Norsk Hydro 12 90 £	30	101	102	0	+0¼	11.62
Quebec 14½ 89 £	30	108⅛	109⅛	0	−0¼	12.38
S.N.C.F. 11½ 89 £	30	96	97	−0⅛	−0⅛	12.32
Sweden 11¼ 93 £	50	93⅛	93⅞	0	−0⅛	12.42
Swed Exp Cred 11¼ 88 £	30	96⅝	97⅛	0	−0¼	12.15
World Bank 11⅛ 88 £	100	96¾	97½	−0⅛	−0¼	11.92
World Bank 11⅜ 91 £	75	98⅝	98⅞	−0⅛	−0¼	11.53
Euratom 11 93 LuxFr	500	104	105	−0⅛	−0⅝	10.21
Europarat 10¾ 93 LuxFr	800	102⅛	103⅛	0	0	10.29

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5⅛ 87	0¼	99⅜	99⅝	27/1	10⅞	10.93
B.F.C.E. 5⅛ 88	0¼	99⅛	99⅜	28/1	10.10	10.26
Caisse Nat Tele 5⅛ 90	0⅛	99	99¼	21/10	9.56	9.65
C.C.F. 5⅛ 95	0⅛	98⅞	99⅛	7/10	10.19	10.29
C.C.F. 5¼ 98	0¼	99⅝	99⅞	24/9	9.94	9.96
Cepme 5⅛ 88 WW	0¼	99⅝	99⅞	3/9	10	10.04
Cepme 5¼ 92	0¼	99⅜	99⅝	10/12	10½	10.55
Chemical NY 5¼ 94 ††	0¼	100¼	100½	23/9	10.82	10.78
C.N.C.A. 5⅛ 95 XW	0¼	98¾	99	7/12	10	10.11
C.N.T. 5¼ 91	0¼	98⅝	98⅞	6/11	9⅛	9.37
Credit Agricole 5¼ 97	0¼	99½	99¾	24/9	10	10.04
Credit Lyonnais 5¼ 94	0¼	99	99¼	5/1	10.31	10.40
Credit Lyonnais 5¼ 97	0¼	98⅞	99⅛	1/10	10.06	10.11
Credit Nat 5⅛ 94	0¼	99⅝	99⅞	9/8	9⅛	9.31
E.D.F. 5⅛ 95 XW	0¼	99½	99¾	10/2	11⅛	11.42
E.E.C. 5 90	0⅛	99¾	99⅞	5/1	10.19	10.24
Kansallis Osake 5½ 92	0¼	99¾	100	6/11	9¼	9.14
Long Term Cred 5¼ 92	0⅛	100⅛	100⅜	27/11	9⅛	8.73
J.P. Morgan 5¼ 97 S	0¼	100⅛	100⅜	12/11	10.81	10.76
New Zealand 5¼ 87	0⅛	100	100¼	7/10	10.06	10.05
NZ Steel Dev 5¼ 92	0¼	99⅞	100⅛	22/12	10¼	10.26
Nippon Credit 5¼ 90	0⅛	100⅛	100⅜	10/2	11⅛	11.22
Soc Generale 5¼ 90 XW	0¼	98⅞	99⅛	9/11	9⅛	9.22
Société Générale 5¼ 95	0¼	98⅞	99⅛	1/9	9½	9.59
Sweden 5⅛ 89	0⅛	99¾	100	26/2	10.19	10.88
Sweden 5¼ 93	0⅛	100	100¼	3/2	11.18	11.17

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	106⅝	107⅜	−0⅝	4.48
Canon 7 97	7/82	748.2	222⅞	224⅜	−7¾	15.62
Daiwa Sec Co 5½ 98	10/83	508	96¾	97¼	+0¾	2.93
Hitachi Cable 5⅛ 98	2/82	515	111⅞	112⅜	−1⅛	4.78
Honda Motor 5¼ 98	6/83	834	95⅛	95⅝	+0⅝	5.06
Honda Motor 5½ 97	3/82	759.6	108⅜	109⅜	−2¼	2.54
Kumagai Gumi 6½ 97	10/82	400	118¾	120	−3⅛	−5.38
Kyowa Hakko 6⅛ 97	2/83	762	115¾	116⅞	−1⅜	9.87
Minebea Co Ltd. 5½ 98	5/83	687	128¼	129¾	−2	−3.16
Mitsubishi Electric 5⅛ 98	6/83	396	109½	110½	−0⅝	7.48
Nippon Electric 5⅛ 97	2/82	765.8	161⅜	163⅜	−0⅞	4.58
Nippon Oil Co 5½ 98	4/83	984	99¾	100¾	−0⅝	3.57
Nissan Motor 5¾ 98	4/83	770	86⅛	87⅛	−0⅝	−1.49
Olympus Optical 6⅛ 97	12/82	1331	99⅞	100⅞	+0⅞	16.41
Orient Finance 5¼ 97	3/82	927.2	90⅞	91⅞	−0½	9.75
Orient Leasing 5¼ 86	6/83	2600	93¾	94¾	0	−2.28
Secom 5 98	11/83	2828	122⅞	123⅞	0	2.95
Sumitomo Electric 5½ 97	3/82	677.3	110⅜	111⅜	0	2.13
Sumitomo Metal 5¼ 96	10/81	288.1	66½	68	+0½	37.82
Yamaichi Sec Co 5 98	8/83	472	92¼	93¾	0	8.16
NEC Corp 3½ 93 SF†	8/83	878	150	152	−1½	−1.81
Sanyo Electric 3½ 93 SF	5/83	581	105	106	−0½	15.12
Konishiroku 6⅝ 88 DM	8/82	618	111⅝	112⅝	−2	2.12
Mitsubishi Heavy 6 88 DM	2/82	263	103⅞	105⅛	+0⅛	18.77
Sun Realty 6⅝ 92 DM	2/83	385	118⅝	119⅝	+0⅝	−3.78

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Public Works Loan Board rates

Effective September 1

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	11⅛	11¼	11¼	12⅛	12¼	12¼
Over 3, up to 4	11¼	11½	11⅝	12⅛	12¼	12⅜
Over 4, up to 5	11½	11½	12	12⅜	12½	12¾
Over 5, up to 6	11⅝	11⅞	12⅛	12⅛	12⅛	12⅛
Over 6, up to 7	11⅞	11⅞	12⅛	12⅛	12⅛	12⅛
Over 7, up to 8	11⅞	12	12⅛	12⅛	12⅛	12⅛
Over 8, up to 9	12	12⅛	12	12⅛	12⅛	12⅛
Over 9, up to 10	12	12⅛	11⅞	12⅛	12⅛	12⅛
Over 10, up to 15	12⅛	11⅞	11⅞	12⅛	12⅛	12
Over 15, up to 25	11⅞	11⅞	11⅞	12⅛	11⅞	11⅞
Over 25	11⅞	11	11	11⅞	11⅞	11⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER AUGUST 30 1983

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.91	11.92	12.54	11.23
DM (Foreign Bond Issues)	7.56	7.57	7.79	7.23
HFL (Bearer Notes)	8.37	8.48	8.67	7.43
Can$ Eurobonds	13.22	13.23	13.55	12.62

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EUROBONDS

Canadian company raises $50m

By Peter Montagnon, Euromarkets Correspondent

HYDRO-QUEBEC is raising C$50m through a 12% per cent Eurobond launched yesterday at par by lead manager Merrill Lynch.

The ten-year bonds are being offered simultaneously with an issue of 50,000 warrants to buy into the same series of bonds. Warrants are a rare feature on a Canadian dollar bond issue and they immediately attracted considerable interest, rising to C$ 19 from their offer price of C$ 10.

The Hydro-Quebec issue comes at the tail of a steady flow of Canadian dollar Eurobond issues in the past few weeks as investors seek to diversify their portfolios out of what many perceive as an over-valued U.S. dollar.

The recent rise in U.S. interest rates, however, means there is now little to distinguish a Canadian dollar from a U.S. dollar issue in coupon terms.

Retail investors in Benelux countries, who are the traditional buyers of Canadian dollar paper, are highly coupon-sensitive. Partly for this reason the Hydro-Quebec bonds were reported yesterday to be selling more slowly than the warrants.

By contrast a high 14 per cent coupon is obviously an attraction for the A$ 30m five-year issue launched yesterday by Orion Royal Bank for the Australian Industry Development Corporation at an issue price of par. This is the fourth Australian dollar Eurobond this year, and the growing popularity of this currency reflects demand for high coupon paper as an alternative to U.S. dollar investments.

The Eurodollar bond market was weak again yesterday with prices marked down by ⅛ to ⅜ points. Elsewhere the World Bank is raising Y20bn through a 12-year issue of 7.9 per cent Samurai bonds priced at 99.75 and led by Nikko Securities.

The Japan Development Bank is raising SwFr 100m through a ten-year issue with an indicated yield of 5¾ per cent and led by UBS, which has also launched a five-year SwFr 80m convertible private placement for Nippon Seiko, the Japanese mechanical-engineering concern.

Indicated yield is 3¼ per cent.

The SwFr 100m issued for Xerox was priced yesterday with a 5¾ per cent coupon as originally indicated by the lead manager Credit Suisse.